

CB Fox & Reel Deal Property Purchase Consideration

Council Work Session

March 16, 2021

Next Steps (presented on 2.16.2021)

- Estimate anticipated construction costs
- Explore end user market sale values
- Further analyze parking demands for potential future uses
- Offer Open Forum Survey & Middle School Student Input Opportunities
- Return to Council March 16

Presentation Purpose

- Provide cost estimates for the development scenarios presented on February 16, 2021
- Outline the opportunities and risks/unknowns of these scenarios
- Address parking concerns
- Discuss broader community economic impacts
- Report summary of input received from Open Forum & middle school student input

Reference Plans & Documents

- [2021 Los Alamos Strategic Leadership Plan](#)
 - *Increasing the amount and types of housing options/ new options for moving closer to central areas of the community/utilization of vacant spaces*
 - *Enhancing support and opportunities for local business/identifying opportunities for utilizing vacant space*
- [2020 Community Survey](#)
 - *Residents appreciate their neighborhoods and public places where they spend time, but feel the community is lacking areas of economic development and growth. [F]ewer than half gave positive ratings to economic development, shopping opportunities and the quality and variety of business and service establishments in Los Alamos County. Further, only 3 in 10 or fewer gave positive ratings to well-planned residential and commercial growth and the overall quality of new development; each of these aspects of community design were rated lower than the national comparisons.*
 - *[T]he economic outlook of Los Alamos County residents is lower than the 5- year national average with only 13% feeling the economy will have a positive impact on their income (although impacts of the COVID-19 pandemic should be taken into consideration). Residents were very supportive of the local government changing policies and ordinances to help support restaurants and retailers during the pandemic. Use of vacant lots for outdoor dining, creating parklets or small areas on street for retails, changing zoning requirements for food trucks, and selling liquor on to-go orders was supported by at least three-fourths of survey respondents.*

Reference Plans & Documents cont.

- [2019 Economic Vitality Strategic Plan](#)
 - *Identify opportunities to incentivize or otherwise encourage new housing development.*
 - *Establish public-private partnerships to convert blighted and/or vacant commercial properties.*
 - *Facilitate new and expanded housing options, for rent and to buy, to meet the needs of all LANL employees (e.g. students, post-docs, retirees and young families).*
- 2011 Creative District Plan
 - *The Creative District seeks to enhance downtown Los Alamos as a gathering place and economic driver through inter-related efforts that include: (not the complete list from plan)*
 - *Cultural, educational and community programming to enliven the downtown area.*
 - *Collaboration among cultural, scientific and recreational activities; business development to enhance economic and cultural vitality.*
 - *Supporting development that improves the built environment and provides needed facilities and venues.*
 - *Engaging young people.*
- [2018 Tourism Strategic Plan](#)
 - *Add a multi-use event space that supports 300 people and accommodates business meetings, community events and destination event space.*
 - *Develop entertainment options with evening/weekend hours geared toward young adults and millennials, as well as older visitors.*
 - *Stimulate redevelopment in the downtown districts by supporting strategic development partnerships that will result in mixed uses that include new housing units.*

Reference Plans & Documents cont.

- [2016 Comprehensive Plan](#)
 - *[T]here is widespread agreement that vacant and blighted properties, both commercial and residential, need rehabilitation, and that the focus of both new construction and rehabilitation should be on the two downtowns.*
- [2019 Housing Market Needs Analysis](#)
 - *The County's greatest housing challenge is the limited land available to meet immediate housing needs.*
- Downtown Master Planning efforts to date recommend a vision and strategies to activate the downtown through support of projects and programs that:
 - Create more housing options (all ages and lifestyles)
 - Reduce the burden of parking needs
 - Enhance/emphasize pedestrian connections (specifically north/south Central to Trinity)
 - Encourage vertical mixed-use developments that activate ground floors
 - Keep commercial rates stable, available, and affordable

CB Fox Background

- 1735 Central Ave
- Built as The Hill Theater by Atomic Energy Commission
- Original use was a movie cinema and small retail (1951 to 1955)
- Renovated and used as department store (1955 - 2020)
 - Balcony around perimeter of cinema added
 - Later, a full second floor was infilled
- Property currently includes ~23,000 total square feet of commercial retail use
- Existing use requires 37 parking spaces (122 spaces in south parking lot)
- Zoning: Downtown District Town Center Overlay District or DT-TCO ([link to DT-TCO allowed uses](#))

CB Fox Scenarios

Scenario 1a - Renovate within the existing building envelope for commercial use and possibly a few upper level residential units or offices to be sold as separate condominium units

Scenario 1b - Same as 1a but retain County ownership of south wing for civic uses such as indoor food market, community rental or contracted service uses

Scenario 2 - Renovate north portion of building fronting Central Avenue for commercial use and demolish the south wing for a new four or five story residential addition (ground floor level could be commercial use)

Scenario 3 - Demolish the existing building and build a new, larger building

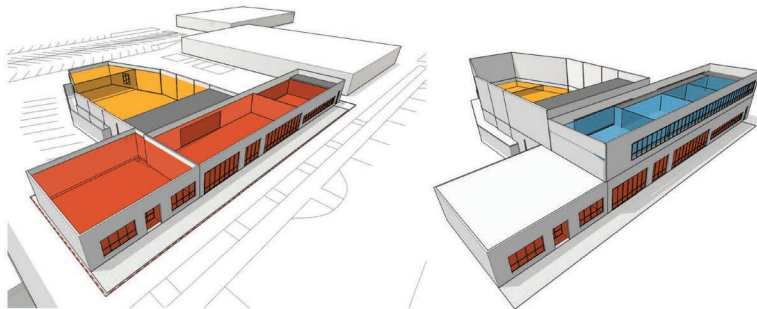
Scenario 1a: Cost Projection

RENOVATE EXISTING BUILDING

COST ANALYSIS ASSUMPTIONS & NOTES:

The construction cost estimates have been developed utilizing recent and similar project types as a reference, as well as a scale factor for the specific site location and current construction pricing trends. At this conceptual level, a price range is given in order to accommodate a conservative factor for many of the unknowns of the project at this point.

- A.** The scope of remediation is defined in the Asbestos Survey conducted in December 2019 but a factor is included to account for potential unknowns.
- B.** This includes the removal of 2nd floor slab in original theater space as well as other interior components.
- C.** The interior renovation includes items such as: MEP systems, ADA reconfiguration and compliance, interior elements (walls, doors ceilings etc.) and exterior modifications (windows, insulation, finish elements). The commercial areas would be renovated to warm shells to allow for future tenant improvements.
- D.** Site improvements to include: Utility upgrades, concrete sidewalks, landscaping and adjacent asphalt repair.
- G.** Soft cost are separate owner expenses such as: Architectural and engineering fees, reimbursables, surveys, site testing, special inspections and plan review.
- J.** This reflects net square feet, which does not include support spaces such as stairwells, elevators utility rooms. (a) The second floor slab in the south wing remains as a commercial use. (b) The second floor slab in the south wing is removed to allow for a high volume space use.



FIRST LEVEL

SECOND LEVEL

CONSTRUCTION & DEVELOPMENT SUMMARY

		GSF	cost per SF		estimated cost range	
A	remediation	23,000	8	10	184,000	230,000
B	interior demolition	23,000	8	10	184,000	230,000
C	renovation	23,000	140	180	3,220,000	4,140,000
D	site improvements				100,000	200,000
	construction costs subtotal				3,688,000	4,800,000
E	1-year escalation @ 5%				184,400	240,000
F	construction contingency @ 15%				580,860	756,000
	NMGRT construction @7.3125%				325,645	423,833
	construction total				4,778,905	6,219,833
	average cost per SF	23,000			208	270
G	soft costs @ 25% of construction total				1,194,726	1,554,958
	NMGRT soft costs @ 7.88%				94,144	122,531
	soft costs total				1,288,871	1,677,489
H	total estimated re-development costs				6,067,775	7,897,321
	average cost per SF	23,000			264	343
	purchase price				2,150,000	2,150,000
	re-development costs				6,067,775	7,897,321
I	total estimated capital investment				8,217,775	10,047,321
	NSF					
J	(a) potential sale revenue (keep same SF)	20,000	325	375	6,500,000	7,500,000
	(b) potential sale revenue (remove added 2nd floor area in south wing)	15,000	325	375	4,875,000	5,625,000
K	estimated difference	20,000			(1,717,775)	(2,547,321)
		15,000			(3,342,775)	(4,422,321)

DUE DILIGENCE STUDY FOR 1735 CENTRAL AVE.

LOS ALAMOS where discoveries are made fbt architects

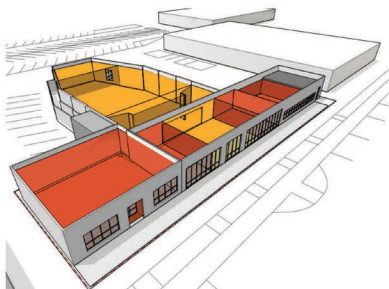
Scenario 1b: Cost Projection

THEATER RESTORATION & SMALL RESIDENTIAL ADDITION

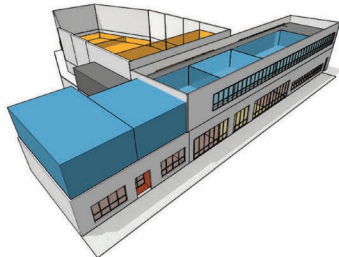
COST ANALYSIS ASSUMPTIONS & NOTES:

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- A.** The scope of remediation is defined in the Asbestos Survey conducted in December 2019 but a factor is included to account for potential unknowns.
- B.** This includes the removal of 2nd floor slab in original theater space as well as other interior components.
- C.** The interior renovation includes items such as: MEP systems, ADA reconfiguration and compliance, interior elements (walls, doors ceilings etc.) and exterior modifications (windows, insulation, finish elements). The commercial areas would be renovated to warm shells to allow for future tenant improvements.
- D.** Site improvements include: Utility upgrades, concrete sidewalks, landscaping and adjacent asphalt repair.
- G.** Soft cost are separate owner expenses such as: Architectural and engineering fees, reimbursables, surveys, site testing, special inspections and plan review.
- J.** This reflects net square feet, which does not support spaces such as stairwells, elevators, utility rooms etc. It also does not include the theater space as this portion would most likely be operated and not sold.



FIRST LEVEL



SECOND LEVEL

CONSTRUCTION & DEVELOPMENT SUMMARY

		GSF	cost per SF		estimated cost range	
A	remediation	23,000	8	10	184,000	230,000
B	interior demolition	23,000	8	10	184,000	230,000
C	renovation	17,000	140	180	2,380,000	3,060,000
	residential addition	2,000	300	325	600,000	650,000
D	site improvements				100,000	200,000
	construction costs subtotal				3,448,000	4,370,000
E	1-year escalation @ 5%				172,400	218,500
F	construction contingency @ 15%				543,060	688,275
	NMGRT construction @ 7.3125%				304,453	385,864
	construction total				4,467,913	5,662,639
	average cost per SF	19,000			235	298
G	soft costs @ 25% of construction total				1,116,978	1,415,660
	NMGRT soft costs @ 7.88%				88,018	111,554
	soft costs total				1,204,996	1,527,214
H	total estimated re-development costs				5,672,909	7,189,853
	average cost per SF	19,000			299	378
	purchase price				2,150,000	2,150,000
	re-development costs				5,672,909	7,189,853
I	total estimated capital investment				7,822,909	9,339,853
		NSF				
J	potential sale revenue (remove added 2nd floor area in south wing)	10,000	350	400	3,500,000	4,000,000
K	estimated difference				(4,322,909)	(5,339,853)

DUE DILIGENCE STUDY FOR 1735 CENTRAL AVE.

LOS ALAMOS where discoveries are made fbt architects

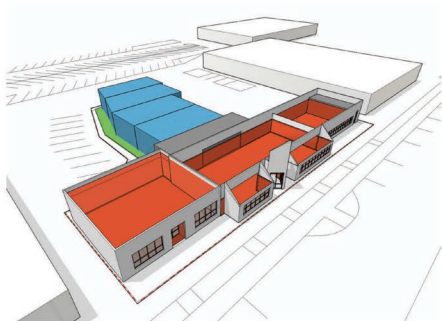
Scenario 2: Cost Projection

PARTIAL DEMOLITION & NEW ADDITION

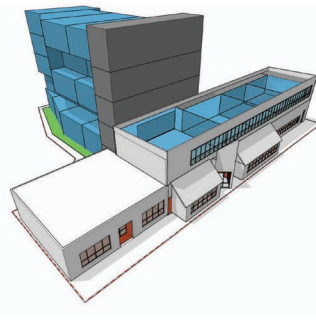
COST ANALYSIS ASSUMPTIONS & NOTES:

The construction cost estimates have been developed utilizing recent and similar project types as a reference, as well as a scale factor for the specific site location and current construction pricing trends. At this conceptual level, a price range is given in order to accommodate a conservative factor for many of the unknowns of the project at this point.

- A.** The scope of remediation is defined in the Asbestos Survey conducted in December 2019 but a factor is included to account for potential unknowns.
- B.** This includes the removal of interior partitions, doors, finishes etc.
- C.** The interior renovation includes items such as: MEP systems, ADA reconfiguration and compliance, interior elements (walls, doors ceilings etc.) and exterior modifications (windows, insulation, finish elements). The commercial areas would be renovated to warm shells to allow for future tenant improvements.
- D.** Site improvements to include: Utility upgrades, concrete sidewalks, landscaping and adjacent asphalt repair.
- G.** Soft cost are separate owner expenses such as: Architectural and engineering fees, reimbursables, surveys, site testing, special inspections, plan review etc.
- J.** This reflects net square feet, which does not include support spaces such as stairwells, elevators utility rooms. This square foot area deducts the previous south wing two story space and adds a 5-story residential tower.



FIRST LEVEL



UPPER LEVELS

CONSTRUCTION & DEVELOPMENT SUMMARY

		GSF	cost per SF		estimated cost range	
A	remediation	23,000	8	10	184,000	230,000
B	interior demolition	11,000	8	10	88,000	110,000
C	south wing demolition	12,000	15	20	180,000	240,000
	renovation	11,000	140	180	1,540,000	1,980,000
	residential addition	19,000	275	300	5,225,000	5,700,000
D	site improvements				125,000	225,000
	construction costs subtotal				7,342,000	8,485,000
E	1-year escalation @ 5%				367,100	424,250
F	construction contingency @ 15%				1,156,365	1,336,388
	NMGRT construction @7.3125%				648,287	749,212
	construction total				9,513,752	10,994,850
	average cost per SF	30,000			317	366
G	soft costs @ 25% of construction total				2,378,438	2,748,712
	NMGRT soft costs @ 7.88%				187,421	216,599
	soft costs total				2,565,859	2,965,311
H	total estimated re-development costs				12,079,611	13,960,161
	average cost per SF	30,000			403	465
	purchase price				2,150,000	2,150,000
	re-development costs				12,079,611	13,960,161
I	total estimated capital investment				14,229,611	16,110,161
	NSF					
J	potential sale revenue	25,000	350	400	8,750,000	10,000,000
K	estimated difference				(5,479,611)	(6,110,161)

DUE DILIGENCE STUDY FOR 1735 CENTRAL AVE.

LOS ALAMOS where discoveries are made fbt architects

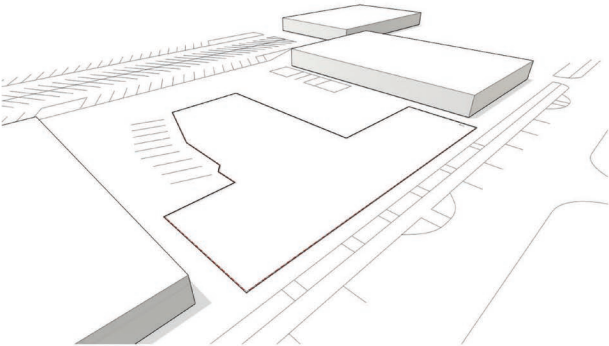
Scenario 3 Phase 1: Cost Projection

BUILDING DEMOLITION

COST ANALYSIS ASSUMPTIONS & NOTES:

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- A.** The scope of remediation is defined in the Asbestos Survey conducted in December 2019 but a factor is included to to account for potential unknowns.
- B.** This includes the demolition of the entire building.
- C.** Soft cost are separate owner expenses such as: Architectural and engineering fees, reimbursables, surveys, site testing, special inspections , plan review etc.
- H.** The potential land sale cost after demolition is based on similar comps in the area.



BUILDING REMOVAL & LAND SALE SUMMARY

		GSF	cost per SF		estimated cost range	
A	remediation	23,000	8	10	184,000	230,000
B	demolition	23,000	15	20	345,000	460,000
	construction costs subtotal				529,000	690,000
C	1-year escalation @ 5%				26,450	34,500
D	construction contingency @ 15%				83,318	108,675
	NMGRT construction @7.3125%				46,710	60,926
	construction total				685,477	894,101
	average cost per SF	23,000			30	39
E	soft costs @ 25% of construction total				171,369	223,525
	NMGRT soft costs @ 7.88%				13,504	17,614
	soft costs total				184,873	241,139
F	total estimated re-development costs				870,351	1,135,240
	average cost per SF	23,000			38	49
	purchase price				2,150,000	2,150,000
	re-development costs				870,351	1,135,240
G	total estimated capital investment				3,020,351	3,285,240
H	land option sale revenue				800,000	900,000
I	estimated difference				(2,220,351)	(2,385,240)

DUE DILIGENCE STUDY FOR 1735 CENTRAL AVE.



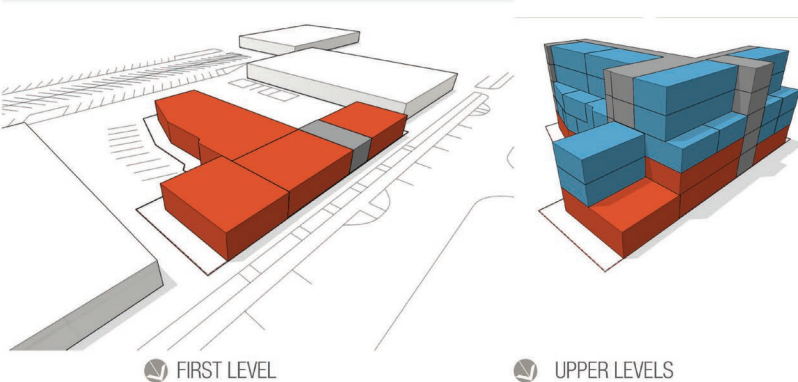
Scenario 3 Phase 2: Cost Projection

NEW BUILDING

COST ANALYSIS ASSUMPTIONS & NOTES:

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- A.** Remediation is included in Scenario 3, Phase 1.
- B.** Demolition is included in Scenario 3, Phase 1.
- C.** The new construction includes all new building elements and is based on provided a warm shell to potential commercial tenants.
- D.** Site improvements to include: Utility upgrades, concrete sidewalks, landscaping and adjacent asphalt repair.
- G.** Soft cost are separate owner expenses such as: Architectural and engineering fees, reimbursables, surveys, site testing, special inspections, plan review etc.
- J.** This reflects net square feet, which does not include support spaces such as stairwells, elevators utility rooms.



CONSTRUCTION & DEVELOPMENT SUMMARY

		GSF	cost per SF		estimated cost range	
A	remediation	23,000	0	0	0	0
B	demolition	23,000	0	0	0	0
C	new construction	40,000	275	325	11,000,000	13,000,000
D	site improvements				150,000	250,000
	construction costs subtotal				11,150,000	13,250,000
E	1-year escalation @ 5%				557,500	662,500
F	construction contingency @ 15%				1,756,125	2,086,875
	NMGRT construction @ 7.3125%				984,528	1,169,954
	construction total				14,448,153	17,169,329
	average cost per SF	40,000			361	429
G	soft costs @ 25% of construction total				3,612,038	4,292,332
	NMGRT soft costs @ 7.88%				284,629	338,236
	soft costs total				3,896,667	4,630,568
H	total estimated re-development costs				18,344,819	21,799,897
	average cost per SF	40,000			459	545
	land purchase price (if developer built)				800,000	900,000
	re-development costs				18,344,819	21,799,897
I	total estimated capital investment				19,144,819	22,699,897
	average cost per SF	40,000			383	454
	NSF					
J	potential sale revenue	35,000	400	450	14,000,000	15,750,000
K	estimated difference sale				(5,144,819)	(6,949,897)

DUE DILIGENCE STUDY FOR 1735 CENTRAL AVE.



CB Fox Scenario Analysis

	Opportunities	Unknowns & Risks
Do Not Purchase	Current owner may find a tenant or another buyer without requiring County subsidy or capital investment	May not remain retail use May remain a vacant property Lost opportunity to incentivize small business property ownership, retain retail use, expand quality of life amenities
Scenario 1a	Maintains retail/restaurant use of ground floor level (street activation) Improves existing building to meet current building/life safety codes Opportunity for small business property ownership (condominiumize) Lowest level of County capital investment	Buyers of commercial spaces not yet identified Limited increase in housing stock Requires County investment of capital dollars that will not be full recouped
Scenario 1b	Same as Scenario 1a Opportunity to enhance/expand quality of life community activities and programs	Same as Scenario 1a Civic oriented uses of south wing is undetermined
Scenario 2	Same as Scenario 1a Increases housing stock ~20 units	Same as Scenario 1a Housing development partner not yet identified
Scenario 3	New building development in downtown Increases/maximizes density of the site Increases housing stock ~30 units Improves N/S pedestrian connections	Likely a lease property (residential and commercial) if funded by a private developer Very high initial capital investment End user buyers/purchases are not yet identified

DT-TCO Parking Requirements @ CB Fox

USE ONE PARKING SPACE IS REQUIRED PER THE SPECIFIED NUMBER OF SQUARE FEET OF NET USABLE FLOOR AREA, UNLESS OTHERWISE STATED

	Any parking not in the rear, offsite, or in or under the building	All parking in rear, offsite, or in or under the building
Office	350 sf	450 sf
Residential	750 sf	950 sf
Commercial	500 sf	625 sf

Parking Analysis

Downtown District Parking Requirements (rear of bldg)
 1 space required per:

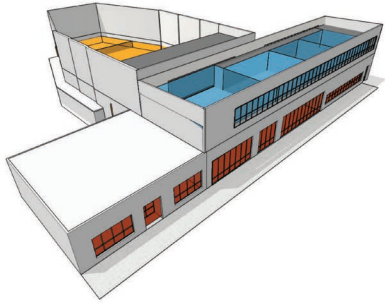
Residential - 950 net usable sf
 Commercial - 650 net usable sf

Existing Building Parking Requirements:
 23,000 sf / 625 =

37 PARKING SPACES REQUIRED

Current Shared Parking: (between all 5 adjacent bldgs)

(+59) 221 PARKING SPACES REQUIRED
280 PARKING SPACES PROVIDED



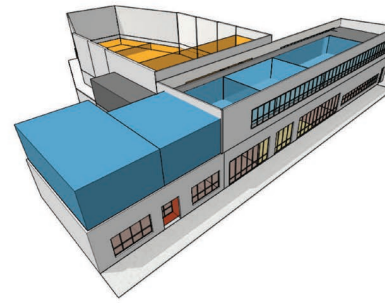
Scenario 1a Renovation

Commercial
 *17,000 nsf / 625 = 28 Spaces Required

Residential
 3,000 nsf / 950 = 4

32 TOTAL PARKING SPACES REQUIRED
 (5 less spaces required than existing use)

**Calculated if the second floor of the south wing remains.*



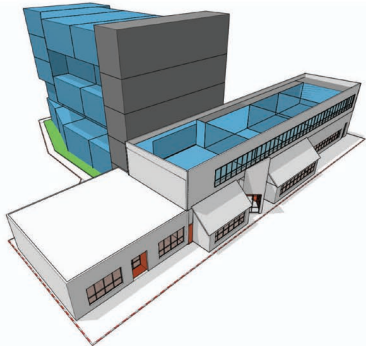
Scenario 1b Theater Restoration

Commercial
 11,500 nsf / 625 = 19 Spaces Required

Residential
 4,500 nsf / 950 = 5

24 TOTAL PARKING SPACES REQUIRED
 (13 less spaces required than existing use)

*If the theater is calculated per seat:
 (not required) 500 seats / 4 = 125 spaces required
 = 137 Total Spaces Required*

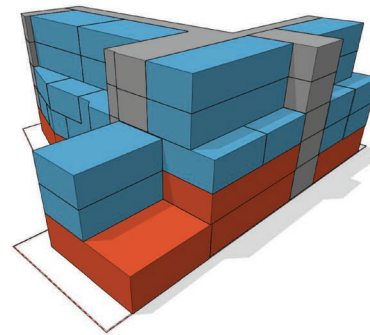


Scenario 2 Renovation + New Construction

Commercial
 6,000 nsf / 625 = 10 Spaces Required

Residential
 19,000 nsf / 950 = 20

30 TOTAL PARKING SPACES REQUIRED
 (7 less spaces required than existing use)



Scenario 3: New Building

Commercial
 12,000 nsf / 625 = 20 Spaces Required

Residential
 23,000 nsf / 950 = 25

45 TOTAL PARKING SPACES REQUIRED
 (8 more spaces required than existing use)

DUE DILIGENCE STUDY FOR 1735 CENTRAL AVE.

LOS ALAMOS where discoveries are made fbt architects

Reel Deal Background

- 2551 Central Ave
- New building constructed and opened in 2003 as a movie cinema
- Operated as movie cinema until sold in June 2020
- Includes 4 theaters – two at 102 seating capacity and two at 136 seating capacity plus concession, restrooms, former arcade areas, and movie equipment
- Property currently includes ~13,000 total square feet of commercial use
- Existing use requires 119 parking spaces out of 124 total shared parking spaces
- Zoning is Commercial Civic Center Business and Professional District or C-2 ([link to C-2 allowed uses](#))

Reel Deal Scenarios

Scenario 0 - Maintain use of four movie theaters and cosmetically fix up the building, replacing end of life equipment and finishes

Scenario 1 - Renovate two of the movie theaters for a different civic or contracted use and keep two movie theater uses as is

Scenario 2 - Renovate three of the movie theaters for a different civic or contracted use and keep one movie theater use as is

Scenario 3 - Same as Scenario 2 plus a new building addition transforming the existing lobby into a two-story building for additional space

Scenario 0: Cost Projection

4 THEATERS TO REMAIN

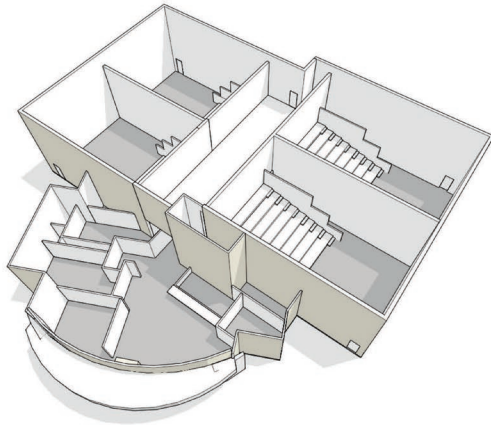
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A. This scheme keeps all four cinema theaters in operation. Necessary improvements include MEP systems updates to ensure a continued life span, interior finishes, roofing maintenance and some exterior facade updates.

B. Site improvements include: concrete and asphalt repair, minor landscaping and new furnishings.

G. Soft cost are separate owner expenses such as: Architectural and engineering fees, reimbursables, surveys, site testing, special inspections and plan review.



CONSTRUCTION SUMMARY

		GSF	cost per SF	estimated cost range		
A	light renovation & use as-is	13,000	50	75	650,000	975,000
B	site improvements				10,000	20,000
	construction costs subtotal				660,000	995,000
C	1-year escalation @ 5%				33,000	49,750
D	construction contingency @ 15%				103,950	156,713
	NMGRT construction @7.3125%				58,277	87,857
	construction total				855,227	1,289,319
	average cost per SF	13,000			66	99
E	soft costs @ 25% of construction total				213,807	322,330
	NMGRT soft costs @ 7.88%				16,848	25,400
	soft costs total				230,655	347,729
F	total estimated re-development costs				1,085,882	1,637,049
	average cost per SF	13,000			84	126
	purchase price				1,850,000	1,850,000
	re-development costs				1,085,882	1,637,049
G	total estimated capital investment				2,935,882	3,487,049

DUE DILIGENCE STUDY FOR 2551 CENTRAL AVE.

LOS ALAMOS where discoveries are made fbt|architects

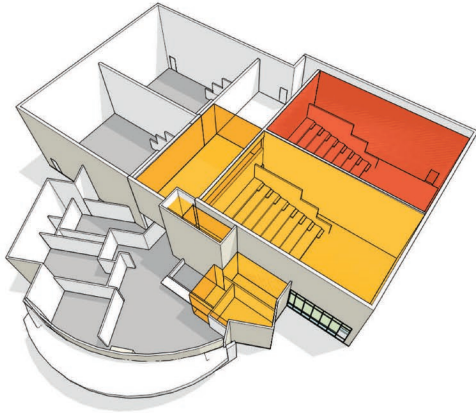
Scenario 1: Cost Projection

RENOVATE 2 THEATERS

COST ANALYSIS ASSUMPTIONS & NOTES:

The construction cost estimates have been developed utilizing recent and similar project types as a reference, as well as a scale factor for the specific site location and current construction pricing trends. At this conceptual level, a price range is given in order to accommodate a conservative factor for many of the unknowns of the project at this point.

- A.** Renovations of the existing theaters into new uses will require structural and foundation modifications, removal of the existing tiered theater seating. MEP improvements, new exterior windows and entry elements as well as finish updates.
- B.** Necessary improvements include MEP systems updates to ensure a continued life span, interior finishes and some exterior facade updates.
- C.** Site improvements include: concrete and asphalt repair, minor landscaping and new furnishings.
- F.** Soft cost are separate owner expenses such as: Architectural and engineering fees, reimbursables, surveys, site testing, special inspections and plan review.



CONSTRUCTION SUMMARY

		GSF	cost per SF		estimated cost range	
A	renovation of 2 theaters	4,000	200	225	800,000	900,000
B	light renovation	9,000	50	75	450,000	675,000
C	site improvements				25,000	50,000
	construction costs subtotal				1,275,000	1,625,000
D	1-year escalation @ 5%				63,750	81,250
E	construction contingency @ 15%				200,813	255,938
	NMGRT construction @7.3125%				112,581	143,485
	construction total				1,652,143	2,105,672
	average cost per SF	13,000			127	162
F	soft costs @ 25% of construction total				413,036	526,418
	NMGRT soft costs @ 7.88%				32,547	41,482
	soft costs total				445,583	567,900
G	total estimated re-development costs				2,097,726	2,673,572
	average cost per SF	13,000			161	206
	purchase price				1,850,000	1,850,000
	re-development costs				2,097,726	2,673,572
H	total estimated capital investment				3,947,726	4,523,572

DUE DILIGENCE STUDY FOR 2551 CENTRAL AVE.



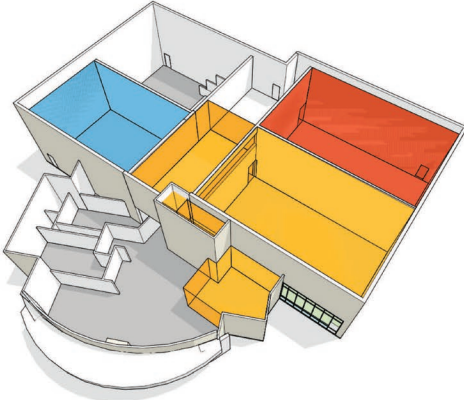
Scenario 2: Cost Projection

RENOVATE 3 THEATERS

COST ANALYSIS ASSUMPTIONS & NOTES:

The construction cost estimates have been developed utilizing recent and similar project types as a reference, as well as a scale factor for the specific site location and current construction pricing trends. At this conceptual level, a price range is given in order to accommodate a conservative factor for many of the unknowns of the project at this point.

- A.** Renovations of the existing theaters into new uses will require structural and foundation modifications, removal of the existing tiered theater seating. MEP improvements, new exterior windows and entry elements as well as finish updates.
- B.** Necessary improvements include MEP systems updates to ensure a continued life span, interior finishes and some exterior facade updates.
- C.** Site improvements include: concrete and asphalt repair, minor landscaping and new furnishings.
- F.** Soft cost are separate owner expenses such as: Architectural and engineering fees, reimbursables, surveys, site testing, special inspections and plan review.



CONSTRUCTION SUMMARY

		GSF	cost per SF		estimated cost range	
A	renovation of 3 theaters	6,000	200	225	1,200,000	1,350,000
B	light renovation	7,000	50	75	350,000	525,000
C	site improvements				25,000	50,000
	construction costs subtotal				1,575,000	1,925,000
D	1-year escalation @ 5%				78,750	96,250
E	construction contingency @ 15%				248,063	303,188
	NMGRT construction @ 7.3125%				139,070	169,974
	construction total				2,040,883	2,494,412
	average cost per SF	13,000			157	192
F	soft costs @ 25% of construction total				510,221	623,603
	NMGRT soft costs @ 7.88%				40,205	49,140
	soft costs total				550,426	672,743
G	total estimated re-development costs				2,591,309	3,167,155
	average cost per SF	13,000			199	244
	purchase price				1,850,000	1,850,000
	re-development costs				2,591,309	3,167,155
H	total estimated capital investment				4,441,309	5,017,155

DUE DILIGENCE STUDY FOR 2551 CENTRAL AVE.

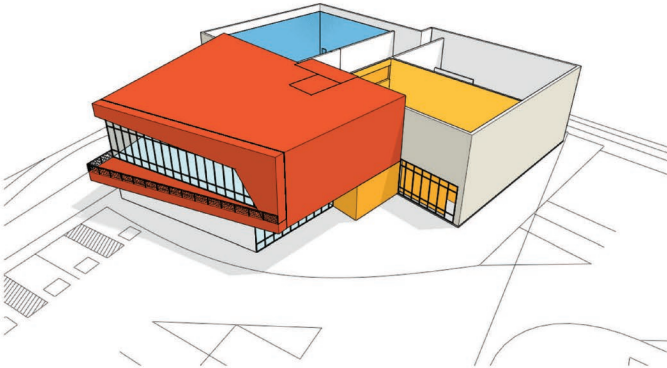
Scenario 3: Cost Projection

RENOVATE 3 THEATERS & NEW ADDITION

COST ANALYSIS ASSUMPTIONS & NOTES:

The construction cost estimates have been developed utilizing recent and similar project types as a reference, as well as a scale factor for the specific site location and current construction pricing trends. At this conceptual level, a price range is given in order to accommodate a conservative factor for many of the unknowns of the project at this point.

- A. Complete removal of the existing lobby core to make room for a new two-story building addition.
- B. Renovations of the existing theaters into new uses will require structural and foundation modifications, as well as removal of the existing tiered theater seating. This cost includes upgraded MEP systems and some exterior work (new windows, stucco etc.)
- C. Light renovation areas are the remainder of the facility which will be mostly cosmetic with minimal architectural and MEP upgrades.
- D. New 2-story building addition to create a larger entry plaza on the ground level and an elevated community space with great views.
- E. Site improvements include: concrete and asphalt repair, minor landscaping and new furnishings.
- H. Soft cost are separate owner expenses such as: Architectural and engineering fees, reimbursables, surveys, site testing, special inspections and plan review.



CONSTRUCTION SUMMARY

		GSF	cost per SF		estimated cost range	
A	lobby area demolition	3,000	15	20	45,000	60,000
B	renovation of 3 theaters	6,000	200	225	1,200,000	1,350,000
C	light renovation	4,000	50	75	200,000	300,000
D	new addition	6,300	300	325	1,890,000	2,047,500
E	site improvements				25,000	50,000
	construction costs subtotal				3,315,000	3,747,500
F	1-year escalation @ 5%				165,750	187,375
G	construction contingency @ 15%				522,113	590,231
	NMGRT construction @7.3125%				292,709	330,898
	construction total				4,295,572	4,856,005
	average cost per SF	16,300			264	298
H	soft costs @ 25% of construction total				1,073,893	1,214,001
	NMGRT soft costs @ 7.88%				84,623	95,663
	soft costs total				1,158,516	1,309,664
I	total estimated re-development costs				5,454,088	6,165,669
	average cost per SF	16,300			335	378
	purchase price				1,850,000	1,850,000
	re-development costs				5,454,088	6,165,669
J	total estimated capital investment				7,304,088	8,015,669

DUE DILIGENCE STUDY FOR 2551 CENTRAL AVE.

Reel Deal Scenario Analysis

	Opportunities	Unknowns & Risks
Do Not Purchase	Current owner may find a tenant or another buyer without requiring County subsidy or capital investment	May not remain a cinema use May remain a vacant property Lost opportunity to meet known community program requests and retain/expand quality of life amenities
Scenario 0	Maintains cinema amenity in community. Does not change the approved occupancy of the building Only cosmetic/maintenance improvements are required	Operator would have to be contracted and funded operationally Unlikely use demand to keep all four theaters operating that would justify the operating costs
Scenario 1	Maintains cinema amenity in community. Opportunity to enhance/expand community activities and programs	Higher capital investment than scenarios above. Service contractors and uses are not yet determined
Scenario 2	Same as Scenario 1 except keeping one versus two theaters	Same as scenario 1 above
Scenario 3	Same as Scenario 1 and 2 Creates more flexible and usable area within the building for community uses	Same as Scenario and 2 Highest capital investment

C-2 Parking Requirements @ Reel Deal

Commercial Uses	
Retail uses such as art stores, clothing stores, florists shops, hardware, baker's shop, hobby shops, jewelry stores, photo shops, small markets, variety stores, supermarkets and laundries	1 space per 200 square feet of net usable floor area
Museum	1 space per 1,000 square feet of net usable floor area
Auditoriums, Clubs, Lodges and Theaters	1 space per 4 seats at maximum seating capacity
Community Center	1 space per 2 persons at maximum capacity
Art Galleries	1 space per 250 square feet of net usable floor area used to display art work

Negotiated shared parking agreements are allowed with approved conditions and consideration of non-competing peak use times

Parking Analysis

Parking Requirements

Cinema Theater: 1 space 4 seats
 Retail: 1 per 200 sf
 Commercial: 1 per 250 sf
 Community Center: 1 per 2 Occ.
 Museum: 1 per 1000 sf
 Child Care Centers: 1 per employee

Existing Building Parking Requirements:

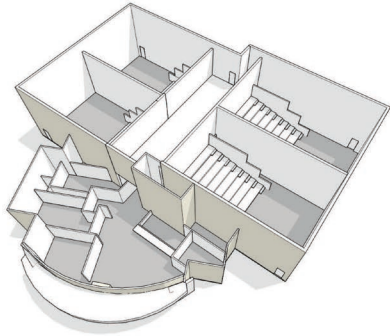
1 space for every 4 seats
 476 seats / 4 =

119 PARKING SPACES REQUIRED

Current Shared Parking: (between adjacent building)

This lot (4B) = 57 Spaces Required
 Adjacent Lot (4A) = 67 Spaces Required

124 PARKING SPACES PROVIDED



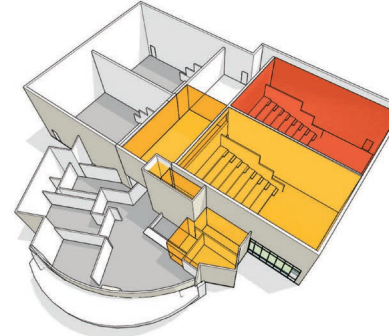
Scenario 0 Theaters Remain

Cinema - 4 Theaters
 476 Seats / 4 = 119

119 TOTAL PARKING SPACES REQUIRED

(5 spaces under the total shared lot)

The theaters are primarily used at a high capacity in the evenings and on the weekends, which is opposite of the adjacent business use. This helps make the shared parking agreement work well.



Scenario 1 Renovation of 2 Theaters

Retail
 1850 sf / 200 = 10 Spaces Required

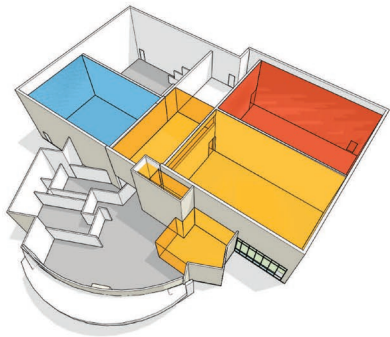
***Commercial**
 2150 sf / 250 = 9 Spaces Required

2 Theaters
 204 seats / 4 = 51 Spaces Required

70 TOTAL PARKING SPACES REQUIRED

(49 less spaces required than existing use)

*Tween Center parking requirement will need to be verified with zoning given it's unique program but the use doesn't anticipate many vehicles.



Scenario 2 Renovation of 3 Theaters

Retail
 1850 sf / 200 = 10 Spaces Required

***Commercial**
 2150 sf / 250 = 9 Spaces Required

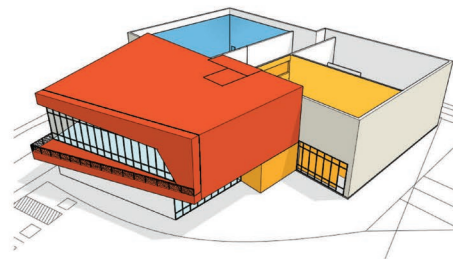
1 Theater
 102 seats / 4 = 26 Spaces Required

Museum
 1550 sf / 100 = 16 Spaces Required

61 TOTAL PARKING SPACES REQUIRED

(58 less spaces required than existing use)

*Tween Center parking requirement will need to be verified with zoning given it's unique program but the use doesn't anticipate many vehicles.



Scenario 3: Ren. of 3 Theaters + Addition

Multi-Use Theater
 204 seats / 4 = 51 Spaces Required

***Commercial**
 2150 sf / 250 = 9 Spaces Required

1 Theater
 136 seats / 4 = 34 Spaces Required

Museum
 3000 sf / 100 = 30 Spaces Required

(5 more than existing use but still within overall limits) 124 TOTAL PARKING SPACES REQUIRED

Most of these programmatic spaces would be used primarily in the evenings and weekends, similar to the existing use.

DUE DILIGENCE STUDY FOR 2551 CENTRAL AVE.

LOS ALAMOS where discoveries are made fbt|architects

Middle School Student Input

- Virtual Meeting held on March 10, 2021 hosted by LAPS Middle School
- 9 students attended
- Input Highlights:
 - Not convinced Reel Deal is best location for a new ‘Tween Center’ serving grades 6 through 8 and prefer a location between Ashley Pond and Smith’s Marketplace; but they would like a movie cinema with snacks and maybe a cafe
 - Other locations such as Middle School, by golf course, White Rock could be considered; Can I get there easily without driving?
 - Want a place with similar amenities to the Teen Center to hang out, play games, and be social; maybe a mentoring/buddy program with teens or a place to meet with tutors
 - In general, want more variety of things to do in town such as an aquarium, bowling, trampoline park, paintball, places to walk and talk, ropes course, go-karts, zip line, cooking classes, demonstrations about how to make or fix things, more cafes/shops/activities after school, on weekends, and during school breaks

Broader Economic Impacts

- Initial and ongoing economic activity associated with new housing
 - annual expenditures such as entertainment, dining, services and goods
- Any development project creates initial and ongoing expenditures
 - new job creation (construction and services)
- If the due-diligence period is extended, additional economic impact analysis could be done related to maintaining commercial occupancies and increasing housing stock

Questions?