

## Exhibit D

### Resolution 23-07-35

#### Financial Considerations of Hollywood Joint Development Project

##### Site Size

Original TriMet Property Area – 34,918 square feet, more or less

Current TriMet Property Area (after 15,728 SF street vacation) – 50,646 square feet, more or less

Previously Proposed Lease Area to BRIDGE (after street vacation) - approximately 22,000 square feet, more or less

Current Proposed Lease Area to BRIDGE – 34,918 square feet, more or less

<u>Site Appraisals/Valuation Date</u>	Aug. 2018	Jul. 2019	2021	Nov. 2021
Type	Appraisal	Offers (x3)	Opinion of Value	Appraisal
Value	\$5,240,000	\$4.0 - 5.2M	\$4,845,300	\$7,256,700 *
Element	TriMet Parcel	TriMet Parcel	TriMet Parcel	TriMet Parcel + Vacated Street
Area	34,918 SF	34,918 SF	34,918 SF	48,378 SF
Value (\$/SF)	\$150 /SF	\$115-149 /SF	\$139 /SF	\$150 /SF

\* The value of the Previously Proposed Lease Area to BRIDGE was calculated at \$3,300,000 from this appraisal (approx. 22,000 SF x \$150/SF).

##### Payments/Value Capture to TriMet

\$1,500,000 – Lease Payment from BRIDGE to TriMet

\$11,891,201 - Value of Lease from BRIDGE to TriMet for staff facilities (approx. 230 SF), public bike storage room (approx. 1,390 SF), and retail space (approx. 1,160 SF) (NPV of 99 year lease, assuming 2,780 SF x \$21/SF x 99 year term with 3.0% long-term inflation and 1.5% discount rate)

\$10,157,854 - Estimated Fare Box Revenue Generated by Project (NPV of 30-year cash flow) (assuming 217 transit-dependent units (TDU) with 1.7 fare-paying residents/TDU and 80% of TDUs using transit daily)

##### Other Considerations

Because BRIDGE is an affordable housing developer, it is challenging to compare this transaction to a market rate transaction. Generally, affordable housing development relies upon public subsidy. In this instance, BRIDGE is expected to receive over \$45 million of grant funding from multiple public sources

including the Portland Housing Bureau, Portland Clean Energy Fund, and State of Oregon, among others. This funding is essential to the project and will be used to subsidize its construction. For its part, TriMet is supporting this affordable housing project by entering into favorable lease terms with BRIDGE, where TriMet will receive an upfront \$1,500,000 ground rent payment for the 99-year lease. Staff believes this payment, in combination with the value of the other improvements and the property being leased back to TriMet for staff amenities, public bike storage room, and retail space is appropriate compensation to TriMet for the 99-year lease of the BRIDGE parcel, while still allowing BRIDGE to successfully develop its project.