TOMPKINS
BUILDERS

9 April 2001

BZA 16744

Mr. Jay Hellman, Managing General Partner
500NJ Associates
1828 L Street, NW
Washington, DC 20036

Re: Construction Cost Premiums Suffered Implicit in the 500 New Jersey Avenue, NW Project

Dear Mr. Hellman:

As you know, we have spent considerable time studying your proposed new building at 500 New Jersey Avenue, NW. You have asked me to explain briefly why the construction costs are significantly more expensive (per square foot of floor area) than a typical Class A office building.

There are several reasons. They all relate to the site itself. This is a unique site. The private buildable area is small, but the total sitework square footage is quite large due to the exceptionally wide sidewalk and the almost 60 foot setback at the north. The building is narrow. Streets surround it on all sides so there are no inexpensive party walls or alley facing walls which can be aesthetically downgraded.

A typical Class A office building ranges from 150,000 to 250,000 square feet. Yours is approximately 90,000. A typical floor size is 15,000 to 25,000 square feet. Yours is approximately 8,000. The typical ratio of a square foot of floor area to linear foot of windowed perimeter is 39 sf/lf. Your ratio is 15 sf/lf.

In summary, your "core costs" per square foot (elevators, stairs, lobby, garage entry / ramps) are higher. Your exterior wall costs are higher. And the exterior site-work / landscaping is higher. Based upon data from buildings that Tompkins has constructed over the past 5 years, a 'normal' class A office building costs $ 75 to $90 per sf. We estimate that 500 New Jersey Avenue, NW will cost $120/sf for core and shell construction.

At 12 floors above grade your building is still quite small. If you were forced to further reduce the building size by eliminating floors this would significantly burden your diseconomies of small scale.

Sincerely,

Thomas J. Barnes
Chief Estimator / Specialist

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Exhibit No. 31

Chas. H. Tompkins Co.
1333 H. Street, NW, Suite 200
Washington, DC 20005
Telephone 202 789 0770
Facsimile 202 898 2531

Board of Zoning Adjustment
District of Columbia
CASE NO.16744
EXHIBIT NO.31