

**Project Report to Crescent Resources Investment Committee**  
**Crescent Resources, LLC**  
**Airpark West Phase II Infrastructure Project**  
**February, 2007**

**I. Summary**

The purpose of this white paper is to request approval for \$1,070,000 to develop the Phase II portion of internal roadway and remaining park infrastructure on land currently owned by Crescent Resources in the park known as AirPark West located in Charlotte, NC.

The capital for this project is not specifically identified in the 2007 budget but is expected to be easily absorbed in the commercial capital expenditure budget of \$150MM.

**II. Proposed Project**

**A. Description**

Crescent purchased the 64-acre property in 2001. Crescent has installed the Phase I portion of the infrastructure including the initial 750 linear feet of AirPark West Drive which serves the first building that was developed and sold in the park. Crescent recently received Executive Committee approval to develop a second building at AirPark West. The approved building budget includes funds to construct 500 linear feet of AirPark West Drive intended to compliment the existing 750 linear feet of AirPark West Drive and offer a second means of access to the proposed building one site.

During the City of Charlotte's permit review related to the proposed new building, the City required Crescent to construct all remaining portions of the roadway at this time. The remaining infrastructure (Phase II) consists of approximately 2,200 linear feet of AirPark West Drive and will complete all internal infrastructure necessary to serve the remaining building sites.

**1. Location**

- a. **Exhibit 1** – Oblique Aerial Photo
- b. **Exhibit 2** – Park Master Plan

**2. Improvements**

- a. **Exhibit 3** – Phase I & II Infrastructure Concept Plan

**B. Cost and Financing**

Project costs for the Phase II Infrastructure are estimated to be \$1,070,000. Taking into account the remaining land and Phase I infrastructure basis of \$3,790,000, we will have \$4,860,000 of land and infrastructure allocable to future building sites. Therefore, we expect a land allocation of \$8.87 for the remaining 482,600 square feet of industrial and \$18.71 for the 31,000 square feet of office (see Exhibit 4 – Airpark West Infrastructure Allocation Summary).

The industrial land allocation is approximately \$1.32 higher than the allocation for the recently approved building. Assuming an 8% return on costs, we would need an additional \$0.10 per square foot in rent for a rental rate of \$4.35. We feel this is obtainable based on current market conditions.

### **III. Recommendation**

We recommend approval of \$1,070,000 to complete the Phase II infrastructure at AirPark West. Completion of this infrastructure will allow us to meet the city's requirements and have the roadway complete for future building sites.

# EXHIBIT 1

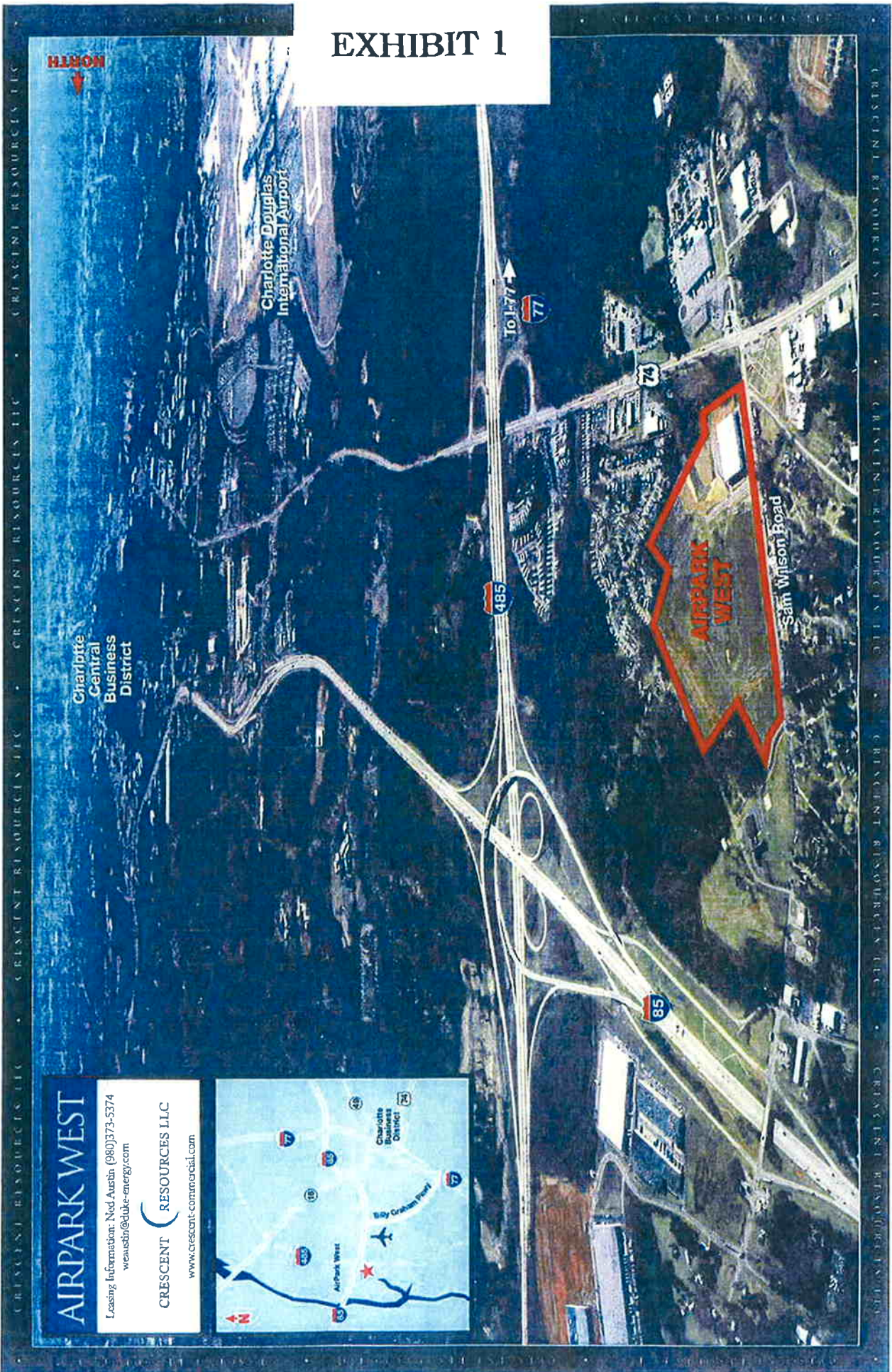




EXHIBIT 2

WILKINSON BLVD

FUTURE BUILDING W  
124,800 SF

FUTURE BUILDING V  
72,327 SF

FUTURE BUILDING I  
130,200 SF

PROPOSED BUILDING I  
175,400 SF

FUTURE BUILDING W  
31,000 SF

FUTURE BUILDING  
25,000 SF

16,750 WEST ONE

16,750 WEST TWO

BEDFORD RD.

Project No.	3510	Issued	04.28.06
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## CRESCENT RESOURCES

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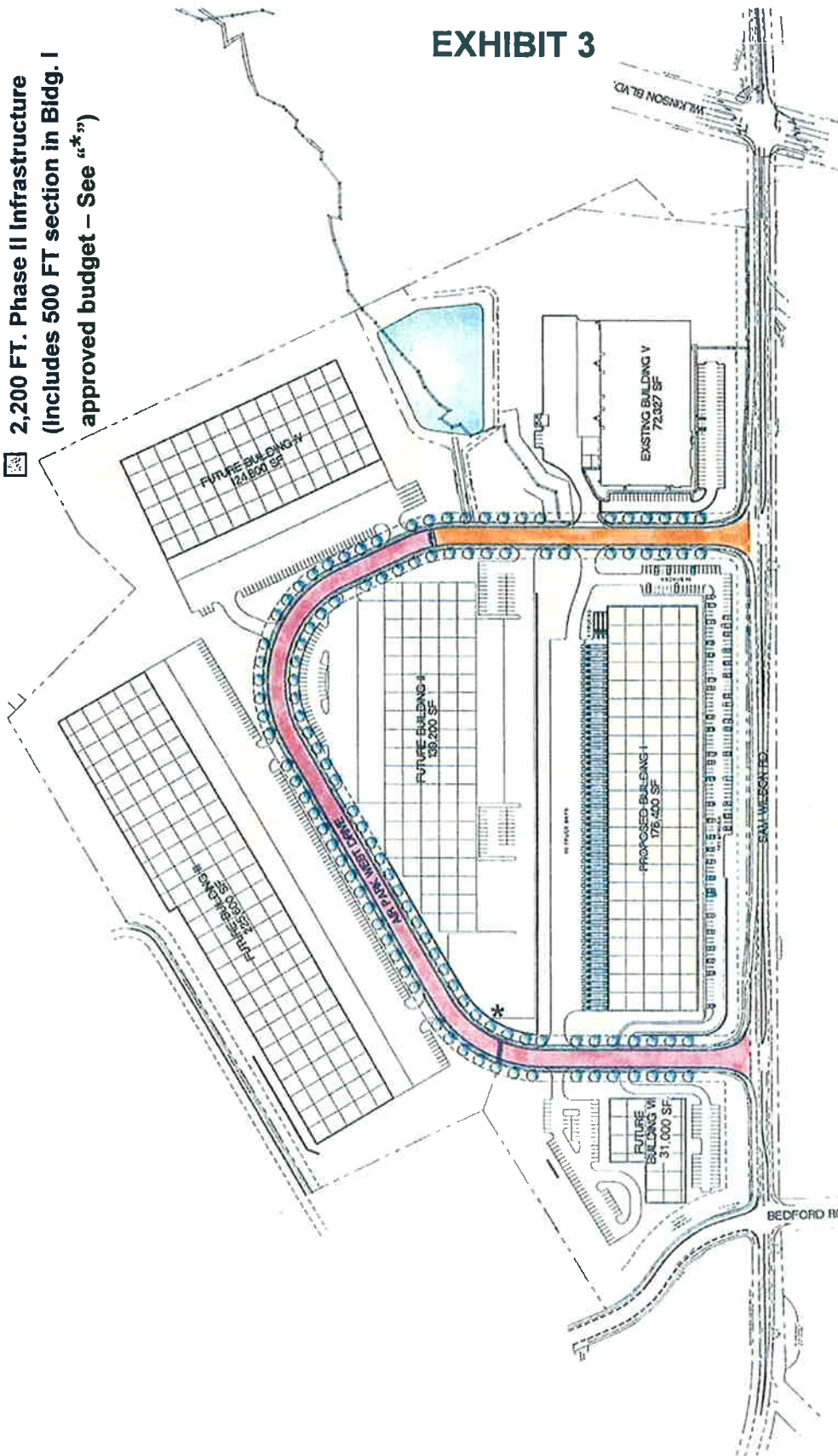
**Colony**

[illegible]

750 FT. Phase I Infrastructure  
for Trane

2,200 FT. Phase II Infrastructure  
(Includes 500 FT section in Bldg. I  
approved budget - See "A")

# EXHIBIT 3



Cole, Jensen & Stone

Architect  
Engineer  
Planner  
Interior Designer

AIR PARK WEST - BUILDING ONE 176,400 SF

CRESCENT RESOURCES

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PRELIMINARY SITE PLAN

Project No. 3510 Issued 04.26.05



**EXHIBIT 4**  
**Airpark West**  
**Land and Infrastructure Allocation Summary**

	Developable Square Ft	Improved Value	%	Land & Inf	Basis Allocation	Psf Allocation
Industrial	482,600	\$ 4,343,400	88.06%	4,860,000	4,280,000	8.87
Office	31,000	\$ 589,000	11.94%	4,860,000	580,000	18.71
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TOTALS	513,600	\$ 4,932,400	100.00%		4,860,000	27.58