

# Comparative Analysis of TAMC Office Scenarios

LEASE, PURCHASE, OR NEW BUILD OPTIONS

# Task

Compare and evaluate potential office space solutions for TAMC.

- A. Develop Timeline
- B. Define Alternatives
- C. Comparative Analysis of Alternatives

# Timeline

- ▶ Design: November 2025-May 2026
- ▶ Bid/Procure: May-July 2026
- ▶ Construction: July 2026-November 2027
- ▶ Move: December 2027-January 2028

# Develop Alternatives

1. Lease Existing Building
- ~~2. Lease or Purchase Building Developed by 3<sup>rd</sup> Party~~
2. Purchase an Existing Building
3. New Building

# Comparative Analysis

- ▶ TAMC requires ~7,200 SF of office space by Dec 2027
- ▶ Three scenarios analyzed:
  1. Lease existing building
  2. Purchase & renovate existing building
  3. Construct new facility (TAMC or Shea Property)
- ▶ Key trade-offs: schedule vs. cost vs. long-term flexibility

# Scenario 1:

## Lease Existing Building

Description: Rent downtown Salinas office; tenant improvements

Strengths:

- ▶ Fastest path to occupancy (18–24 months)
- ▶ Lower upfront cost
- ▶ Fewer entitlement/permitting risks

Constraints:

- ▶ No suitable buildings available currently
- ▶ Subject to rising lease rates
- ▶ Limited control over space

Timeline: Mid–late 2027

Cost: \$159K–\$204K/year lease + \$1.5M–\$1.8M improvements

# Scenario 2:

## Purchase Existing Building

Description: 584 S. Main Street. Buy & renovate 5,352 SF + 1,475 SF addition

### Strengths:

- ▶ Ownership & long-term control
- ▶ 32 existing parking stalls
- ▶ Reusable layout

### Constraints:

- ▶ \$5.1M–\$6.0M upfront investment
- ▶ Extended entitlement/construction (32–43 months)
- ▶ Misses 2027 deadline. Requires lease extension.

Timeline: Mid-2028 to mid-2029

Cost: Purchase and Construction \$5.1M–\$6.0M

# Scenario 2: Purchase Existing Building



# Scenario 3A: New Build on TAMC Property

Description: Construct new 7,200 SF facility on TAMC-owned parcels

Strengths:

- ▶ Purpose-built, no land cost
- ▶ Near Hwy 1, shops, transit

Constraints:

- ▶ Longest timeline (36–50 months). Requires lease extension.
- ▶ Environmental/regulatory risk, water uncertainty
- ▶ Potential high infrastructure costs

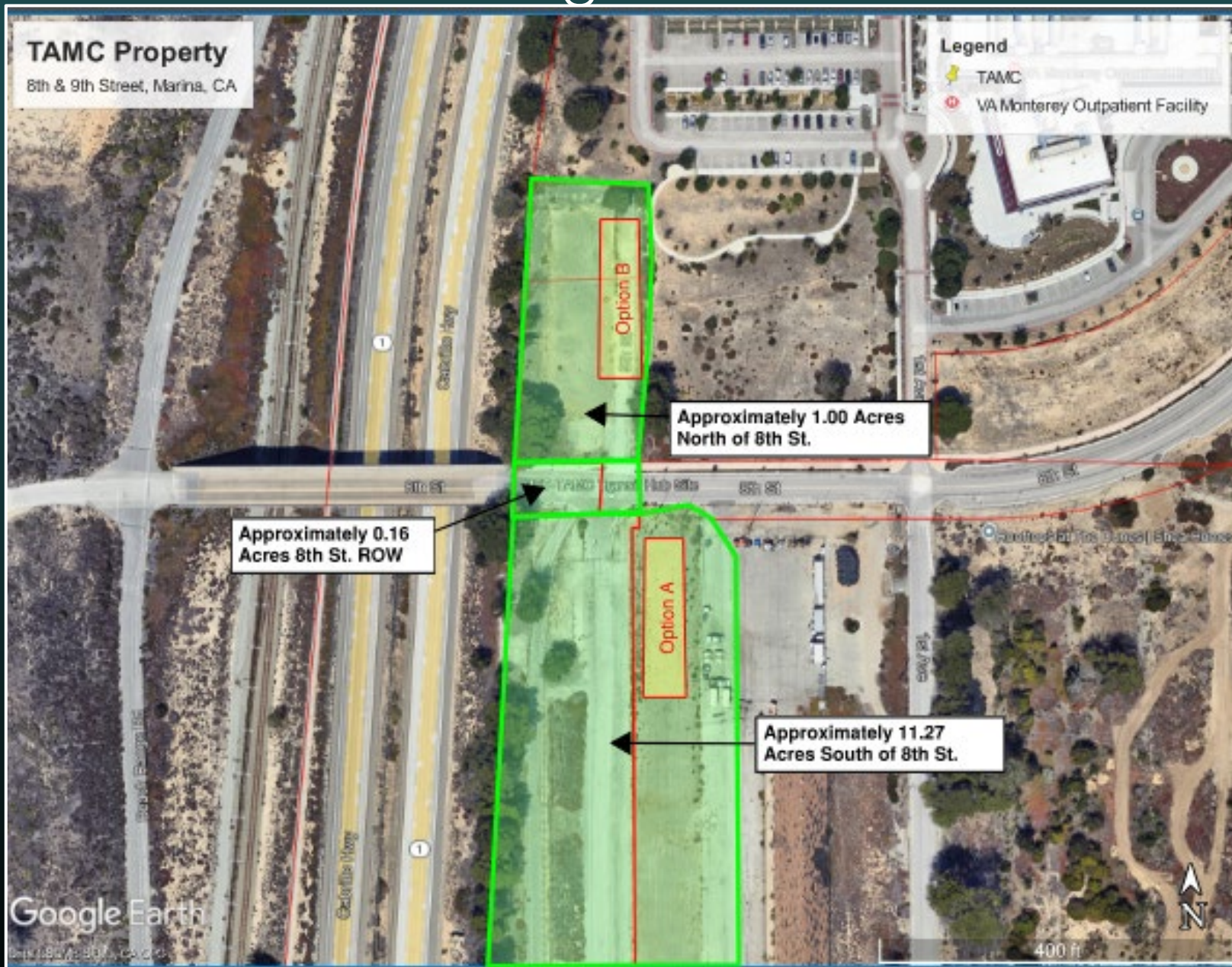
Timeline: Late 2028 – early 2030

Cost: Construction \$3.2M–\$3.6M (+infra)

# Scenario 3A: New Build on TAMC Property



# Scenario 3A: Building Site Locations



# Scenario 3B:

## New Build on Shea Property

Description: Purchase land in Marina & construct new facility

### Strengths:

- ▶ Purpose-built, closer to services/transit
- ▶ Fewer regulatory hurdles, utilities ready

### Constraints:

- ▶ Land acquisition required. Requires lease extension.
- ▶ Highest cost option
- ▶ Timeline misses 2027 deadline.

Timeline: Late 2028 – mid 2030

Cost: Purchase and Construction \$8.1M–\$13.6M (+infra)

# Scenario 3B: New Build on Shea Property



## AVAILABLE SITES/USES

- 1 Retail/Service - Retail / Office / Medical
- 2 Office Research / Light Industrial - Retail / Office / Restaurant/Medical / Assisted Living
- 3 Office Research / Light Industrial - Auto Dealerships / Office / Medical / Assisted Living / R & D / Light Industrial

# Comparative Summary

## **Scenario 1: Lease Existing Building**

- ▶ Fastest, lowest upfront, but no sites available.

## **Scenario 2: Purchase Existing Building**

- ▶ Ownership, but costly and misses deadline.

## **Scenario 3A: New Build on TAMC Property**

- ▶ Tailored, moderate cost, not guaranteed approval, long timeline.

## **Scenario 3B: New Build on Shea Property**

- ▶ Tailored, likely approval, but most expensive.

# Recommendations

- ▶ **Get a lease extension.**
- ▶ **Primary:** Scenario 1 (Lease Existing Building) – Only option meeting Dec 2027 deadline. However, currently infeasible.
- ▶ **Fallback:** Scenario 2 (Purchase Existing Building) – If suitable lease not found.
- ▶ **Long-term:** Scenario 3A (TAMC Property New Build) – Future-proof solution.
- ▶ Scenario 3B (Shea Property) – Least feasible due to high cost.