

Assumptions: Murphy, Concept 1

General Inputs

Opportunity Site Name	Murphy
Development Concept	1

Development types	No. Units	Average Unit Size	Total Net SF	Parking Ratios	No. Parking Spaces
Residential: For Rent	112	754	84,432	1.59	178
Retail/Commercial (NNN)	0	0	13,820	2.39	33
Office (FS)	0	0	78,311	2.35	184
Live/Work	0	0	0	0.00	0
Flex Space (NNN)	0	0	0	0.00	0
Total	112		176,563		395

Development types	Monthly Rent / SF	Monthly Rent / Unit	Annual Rent / SF	Annual Rent / Unit	Potential Gross Rev	Op Expense (% Rent)	Op Expense			Total Op Expense
							per unit / mo	Op Expense per SF / mo	Op Expense per SF / yr	
Residential: For Rent	\$1.30	\$980	\$15.60	\$11,760	\$1,317,120	35%	-\$339	-\$0.45	-\$5.40	-\$455,926
Retail/Commercial (NNN)	\$1.17		\$14.00		\$193,480	15%		-\$0.18	-\$2.10	-\$29,022
Office (FS)	\$1.25		\$15.00		\$1,174,665	53%		-\$0.67	-\$8.00	-\$626,488
Live/Work	\$1.30	\$0	\$15.60	\$0	\$0	35%	\$0	-\$0.45	-\$5.40	\$0
Flex Space (NNN)	\$0.71		\$8.50		\$0	14%		-\$0.10	-\$1.20	\$0
Total					\$2,685,265					-\$1,111,436

Other Assumptions

Annual Increase in Potential Gross Rev	3%
Annual increase in operating expense	3%
Property Tax Rate	\$18.95
Changed Property Ratio	89.4%
Real Market Value	#####

Changed Property Ratio

Use	CPR
Residential	89.4%
Com/Ind	90.4%
Multi-Family	80.7%

Parking Assumptions

	Spaces	SF	SF/Space
Structured	0	0	0
Tuck	0	0	0
Surface	395	139,585	353
Total	395	139,585	

Uses of funds: Murphy, Concept 1

Costs	Total	Per SF	# GSF	Notes
<i>Hard Costs</i>				
Site Acquisition	\$3,000,000	\$0.00	333,905 SF of site	
Construction - Residential	\$11,919,720	\$120.00	99,331 gross SF of building	
Construction - Retail / Commercial		\$105.00	16,258	
Construction - Office	\$11,055,720	\$120.00	92,131 gross SF of building	
Building Skin	\$0	\$35.00	0 Façade SF	
Landscaping	\$182,070	\$3.00	60,690 Landscaping	
TI Allowance - Office	\$4,145,895	\$45.00	92,131 Net SF	
TI Allowance - Retail	\$483,700	\$35.00	13,820 Net SF	
Parking - Surface	\$1,256,265	\$9.00	139,585	
Frontage Improvements / PARs	\$550,000			City requirement for street enhancements
Local Streets	\$1,600,000	\$1,600.00	1,000 Linear feet	
Hard Cost Contingency	\$2,219,503	\$11.59	191,462	7.5% other hard costs
Subtotal	\$36,412,873	\$190.18	191,462	
<i>Soft Costs</i>				
Architecture & Engineering	\$2,548,901	\$13.31	191,462	7.0% of hard costs
Other Soft Costs	\$1,456,515	\$7.61	191,462	4.0% - Legal fees, other consultants
Financing Fees	\$364,129	\$1.90	191,462	1.0% of hard costs
City Fees and Permits	\$375,154	\$1.96	191,462	Building Permit Fees based on hard cost valuation. Does not include any trade permits or deferred submittals.
SDCs	\$2,100,000	\$10.97	191,462	CoM did not calculate SDCs for this concept
Developer Fee	\$1,820,644	\$9.51	191,462	5.0% of hard costs
FF&E	\$0	\$0.00	191,462	
Soft Cost Contingency	\$649,901	\$3.39	191,462	7.5% of soft costs
Subtotal	\$9,315,244	\$48.65	191,462	25.6%
Total Cost	\$45,728,117	\$238.84	191,462	

Loan Details: Murphy, Concept 1

Source No.	Type	Loan						
		Amount	Amortization (Years)	Loan Term (Years)	Interest Rate (Annual)	Payment (Annual)	Payment (Monthly)	Payments (Total)
Source 1	Equity	\$18,291,247	0	0	0%	N/A	N/A	N/A
Source 2	Bank Loan	\$27,436,870	25	25	6%	\$2,121,312	\$176,776	\$53,032,800
Source 3	EB-5	\$0	1	1	5%	\$0	\$0	\$0
Source 4	Other 1	\$0	1	1	5%	\$0	\$0	\$0
Source 5	Other 2	\$0	1.5	1.5	5%	\$0	\$0	\$0
Total		\$45,728,117						
		\$0						
Total Equity	\$18,291,247							
Total Financing	\$27,436,870							
Loan to Value Ratio	60%							

Annual Debt Service: Murphy, Concept 1

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Source 1	Equity									
Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Beginning Balance	\$ 18,291,247	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Source 2	Bank Loan									
Interest Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Beginning Balance	\$ 27,436,870	\$ 26,936,786	\$ 26,406,697	\$ 25,844,803	\$ 25,249,195	\$ 24,617,851	\$ 23,948,626	\$ 23,239,248	\$ 22,487,307	\$ 21,690,249
Total Payment	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)
Principal	\$ (500,084)	\$ (530,089)	\$ (561,894)	\$ (595,608)	\$ (631,344)	\$ (669,225)	\$ (709,378)	\$ (751,941)	\$ (797,058)	\$ (844,881)
Interest	\$ (1,646,212)	\$ (1,616,207)	\$ (1,584,402)	\$ (1,550,688)	\$ (1,514,952)	\$ (1,477,071)	\$ (1,436,918)	\$ (1,394,355)	\$ (1,349,238)	\$ (1,301,415)
Ending Balance	\$ 26,936,786	\$ 26,406,697	\$ 25,844,803	\$ 25,249,195	\$ 24,617,851	\$ 23,948,626	\$ 23,239,248	\$ 22,487,307	\$ 21,690,249	\$ 20,845,368
Source 3	EB-5									
Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Beginning Balance	\$ -									
Total Payment										
Principal										
Interest										
Ending Balance										
Source 4	Other 1									
Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Beginning Balance	\$ -									
Total Payment										
Principal										
Interest										
Ending Balance										
Source 5	Other 2									
Interest Rate	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Beginning Balance	\$ -									
Total Payment										
Principal										
Interest										
Ending Balance										
Total	All Sources									
Interest Rate	3.60%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Beginning Balance	\$ 45,728,117	\$ 26,936,786	\$ 26,406,697	\$ 25,844,803	\$ 25,249,195	\$ 24,617,851	\$ 23,948,626	\$ 23,239,248	\$ 22,487,307	\$ 21,690,249
Total Payment	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)
Principal	\$ (500,084)	\$ (530,089)	\$ (561,894)	\$ (595,608)	\$ (631,344)	\$ (669,225)	\$ (709,378)	\$ (751,941)	\$ (797,058)	\$ (844,881)
Interest	\$ (1,646,212)	\$ (1,616,207)	\$ (1,584,402)	\$ (1,550,688)	\$ (1,514,952)	\$ (1,477,071)	\$ (1,436,918)	\$ (1,394,355)	\$ (1,349,238)	\$ (1,301,415)
Ending Balance	\$ 26,936,786	\$ 26,406,697	\$ 25,844,803	\$ 25,249,195	\$ 24,617,851	\$ 23,948,626	\$ 23,239,248	\$ 22,487,307	\$ 21,690,249	\$ 20,845,368
Net Operating Income	\$ 634,884	\$ 930,513	\$ 1,243,308	\$ 1,280,607	\$ 1,319,025	\$ 1,358,596	\$ 1,399,354	\$ 1,441,334	\$ 1,484,573	\$ 1,529,110
Debt Service Coverage Ratio	0.30	0.43	0.58	0.60	0.61	0.63	0.65	0.67	0.69	0.71

Financial Projections: Murphy, Concept 1

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Gross Revenue	\$ 2,685,265	\$ 2,765,823	\$ 2,848,798	\$ 2,934,262	\$ 3,022,290	\$ 3,112,959	\$ 3,206,348	\$ 3,302,538	\$ 3,401,614	\$ 3,503,662
Vacancy Rate	25%	15%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Loss	\$ (671,316)	\$ (414,873)	\$ (142,440)	\$ (146,713)	\$ (151,115)	\$ (155,648)	\$ (160,317)	\$ (165,127)	\$ (170,081)	\$ (175,183)
Effective Gross Revenue	\$ 2,013,949	\$ 2,350,950	\$ 2,706,358	\$ 2,787,549	\$ 2,871,175	\$ 2,957,311	\$ 3,046,031	\$ 3,137,411	\$ 3,231,533	\$ 3,328,479
Property Tax	\$ (267,629)	\$ (275,658)	\$ (283,928)	\$ (292,446)	\$ (301,219)	\$ (310,256)	\$ (319,564)	\$ (329,151)	\$ (339,026)	\$ (349,197)
Other Operating Expenses	\$ (1,111,436)	\$ (1,144,779)	\$ (1,179,122)	\$ (1,214,496)	\$ (1,250,931)	\$ (1,288,459)	\$ (1,327,113)	\$ (1,366,926)	\$ (1,407,934)	\$ (1,450,172)
Total Operating Expenses	\$ (1,379,065)	\$ (1,420,437)	\$ (1,463,050)	\$ (1,506,942)	\$ (1,552,150)	\$ (1,598,715)	\$ (1,646,677)	\$ (1,696,077)	\$ (1,746,960)	\$ (1,799,369)
Net Operating Income	\$ 634,884	\$ 930,513	\$ 1,243,308	\$ 1,280,607	\$ 1,319,025	\$ 1,358,596	\$ 1,399,354	\$ 1,441,334	\$ 1,484,573	\$ 1,529,110
<i>Resale Value @ Cap Rate:</i>										
6.50%	\$ 9,767,444	\$ 14,315,585	\$ 19,127,815	\$ 19,701,646	\$ 20,292,692	\$ 20,901,477	\$ 21,528,523	\$ 22,174,369	\$ 22,839,585	\$ 23,524,769
7.50%	\$ 8,465,118	\$ 12,406,840	\$ 16,577,440	\$ 17,074,760	\$ 17,587,000	\$ 18,114,613	\$ 18,658,053	\$ 19,217,787	\$ 19,794,307	\$ 20,388,133
8.50%	\$ 7,469,222	\$ 10,947,212	\$ 14,627,153	\$ 15,065,965	\$ 15,517,941	\$ 15,983,482	\$ 16,462,988	\$ 16,956,871	\$ 17,465,565	\$ 17,989,529
Debt Service	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)	\$ (2,146,296)
EBITDA	\$ (1,511,412)	\$ (1,215,783)	\$ (902,988)	\$ (865,689)	\$ (827,271)	\$ (787,700)	\$ (746,942)	\$ (704,962)	\$ (661,723)	\$ (617,186)
Cash on Cash Return	-8.26%	-6.65%	-4.94%	-4.73%	-4.52%	-4.31%	-4.08%	-3.85%	-3.62%	-3.37%
Cash on Cost Return	-3.31%	-2.66%	-1.97%	-1.89%	-1.81%	-1.72%	-1.63%	-1.54%	-1.45%	-1.35%

Developer Score Card

	Actual	Desired
Cash on Cash Return	-4.83%	6-10%
Cash on Cost Return	-1.93%	6-9%
Unleveraged IRR		
5-Year	-15.15%	15%
10-Year	-4.43%	12%
Leveraged IRR		
5-Year	N/A	20%
10-Year	N/A	15%