

## Assumptions: Texaco, Concept 1

### General Inputs

Opportunity Site Name	Texaco
Development Concept	1

Development types	No. Units	Average Unit Size	Total Net SF	Parking Ratios	No. Parking Spaces
Residential: For Rent	93	750	69,767	1.25	116
Retail/Commercial (NNN)	0	0	6,900	1.59	11
Office (FS)	0	0	0	0.00	0
Live/Work	0	0	0	0.00	0
Flex Space (NNN)	0	0	0	0.00	0
<b>Total</b>	<b>93</b>		<b>76,667</b>		<b>127</b>

Development types	Monthly Rent / SF	Monthly Rent / Unit	Annual Rent / SF	Annual Rent / Unit	Potential Gross Rev	Op Expense (% Rent)	Op Expense per unit / mo	Op Expense per SF / mo	Op Expense per SF / yr	Total Op Expense
Residential: For Rent	\$1.40	\$1,050	\$16.80	\$12,600	\$1,171,800	32%	-\$338	-\$0.45	-\$5.40	-\$376,650
Retail/Commercial (NNN)	\$1.17		\$14.00		\$96,600	15%		-\$0.18	-\$2.10	-\$14,490
Office (FS)	\$1.25		\$15.00		\$0	53%		-\$0.67	-\$8.00	\$0
Live/Work	\$1.40	\$0	\$16.80	\$0	\$0	32%	\$0	-\$0.45	-\$5.40	\$0
Flex Space (NNN)	\$0.71		\$8.50		\$0	14%		-\$0.10	-\$1.20	\$0
<b>Total</b>					<b>\$1,268,400</b>					<b>-\$391,140</b>

### 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	\$9,859,520

### 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	127	33,047	260
Surface	0	0	0
<b>Total</b>	<b>127</b>	<b>33,047</b>	

## Uses of funds: Texaco, Concept 1

Costs	Total	Per SF	# GSF	Notes
<i>Hard Costs</i>				
Site Acquisition	\$600,000	\$0.00	41,770	SF of site
Construction - Residential	\$12,311,850	\$150.00	82,079	gross SF of building
Construction - Retail / Commercial	\$852,390	\$105.00	8,118	gross SF of building
Building Skin	\$0	\$0.00	0	Façade SF
Landscaping	\$25,206	\$6.00	4,201	Landscaping
TI Allowance - Office	\$0	\$45.00	0	Net SF
TI Allowance - Retail	\$241,500	\$35.00	6,900	Net SF
Parking - Tuck	\$2,148,055	\$65.00	33,047	
Frontage Improvements / PARs	\$1,500,000			City requirement for street enhancements
Hard Cost Contingency	\$1,280,925	\$10.39	123,244	7.5% other hard costs
Subtotal	\$18,959,926	\$153.84	123,244	
<i>Soft Costs</i>				
Architecture & Engineering	\$1,327,195	\$10.77	123,244	7.0% of hard costs
General Soft Costs	\$758,397	\$6.15	123,244	4.0% - Legal fees, other consultants
Financing Fees	\$189,599	\$1.54	123,244	1.0% of hard costs
City Fees and Permits	\$202,319	\$1.64	123,244	Building Permit Fees based on hard cost valuation. Does not include any trade permits or deferred submittals.
SDCs	\$1,000,000	\$8.11	123,244	CoM has not calculated SDCs for this concept
Developer Fee	\$947,996	\$7.69	123,244	5.0% of hard costs
FF&E	\$0	\$0.00	123,244	
Soft Cost Contingency	\$331,913	\$2.69	123,244	7.5% of soft costs
Subtotal	\$4,757,419	\$38.60	123,244	25.1%
<b>Total Cost</b>	<b>\$23,717,345</b>	<b>\$192.44</b>	<b>123,244</b>	

## Loan Details: Texaco, Concept 1

Source No.	Type	Loan						
		Amount	Amortization (Years)	Loan Term (Years)	Interest Rate (Annual)	Payment (Annual)	Payment (Monthly)	Payments (Total)
Source 1	Equity	\$7,115,204	0	0	0%	N/A	N/A	N/A
Source 2	Bank Loan	\$16,602,142	25	25	6%	\$1,283,616	\$106,968	\$32,090,400
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		\$23,717,345						
		\$0						
Total Equity		\$7,115,204						
Total Financing		\$16,602,142						
Loan to Value Ratio		70%						

## Annual Debt Service: Texaco, Concept 1

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Source 1</b>	<b>Equity</b>										
	Interest Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Beginning Balance	\$ 7,115,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Source 2</b>	<b>Bank Loan</b>										
	Interest Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
	Beginning Balance	\$ 16,602,142	\$ 16,299,539	\$ 15,978,780	\$ 15,638,776	\$ 15,278,372	\$ 14,896,343	\$ 14,491,393	\$ 14,062,146	\$ 13,607,144	\$ 13,124,842
	Total Payment	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)
	Principal	\$ (302,603)	\$ (320,759)	\$ (340,004)	\$ (360,404)	\$ (382,029)	\$ (404,950)	\$ (429,247)	\$ (455,002)	\$ (482,302)	\$ (511,241)
	Interest	\$ (996,128)	\$ (977,972)	\$ (958,727)	\$ (938,327)	\$ (916,702)	\$ (893,781)	\$ (869,484)	\$ (843,729)	\$ (816,429)	\$ (787,490)
	Ending Balance	\$ 16,299,539	\$ 15,978,780	\$ 15,638,776	\$ 15,278,372	\$ 14,896,343	\$ 14,491,393	\$ 14,062,146	\$ 13,607,144	\$ 13,124,842	\$ 12,613,601
<b>Source 3</b>	<b>EB-5</b>										
	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										
<b>Source 4</b>	<b>Other 1</b>										
	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										
<b>Source 5</b>	<b>Other 2</b>										
	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										
<b>Total</b>	<b>All Sources</b>										
	Interest Rate	4.20%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
	Beginning Balance	\$ 23,717,345	\$ 16,299,539	\$ 15,978,780	\$ 15,638,776	\$ 15,278,372	\$ 14,896,343	\$ 14,491,393	\$ 14,062,146	\$ 13,607,144	\$ 13,124,842
	Total Payment	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)
	Principal	\$ (302,603)	\$ (320,759)	\$ (340,004)	\$ (360,404)	\$ (382,029)	\$ (404,950)	\$ (429,247)	\$ (455,002)	\$ (482,302)	\$ (511,241)
	Interest	\$ (996,128)	\$ (977,972)	\$ (958,727)	\$ (938,327)	\$ (916,702)	\$ (893,781)	\$ (869,484)	\$ (843,729)	\$ (816,429)	\$ (787,490)
	Ending Balance	\$ 16,299,539	\$ 15,978,780	\$ 15,638,776	\$ 15,278,372	\$ 14,896,343	\$ 14,491,393	\$ 14,062,146	\$ 13,607,144	\$ 13,124,842	\$ 12,613,601
<b>Net Operating Income</b>		\$ 393,108	\$ 535,546	\$ 686,178	\$ 706,762	\$ 727,965	\$ 749,804	\$ 772,298	\$ 795,467	\$ 819,330	\$ 843,909
<b>Debt Service Coverage Ratio</b>		0.30	0.41	0.53	0.54	0.56	0.58	0.59	0.61	0.63	0.65

## Financial Projections: Texaco, 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	\$ 1,268,400	\$ 1,306,452	\$ 1,345,646	\$ 1,386,015	\$ 1,427,595	\$ 1,470,423	\$ 1,514,536	\$ 1,559,972	\$ 1,606,771	\$ 1,654,974
Vacancy Rate	25%	15%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Loss	\$ (317,100)	\$ (195,968)	\$ (67,282)	\$ (69,301)	\$ (71,380)	\$ (73,521)	\$ (75,727)	\$ (77,999)	\$ (80,339)	\$ (82,749)
Effective Gross Revenue	\$ 951,300	\$ 1,110,484	\$ 1,278,364	\$ 1,316,714	\$ 1,356,215	\$ 1,396,902	\$ 1,438,809	\$ 1,481,973	\$ 1,526,432	\$ 1,572,225
Property Tax	\$ (167,052)	\$ (172,064)	\$ (177,226)	\$ (182,543)	\$ (188,019)	\$ (193,660)	\$ (199,470)	\$ (205,454)	\$ (211,618)	\$ (217,967)
Other Operating Expenses	\$ (391,140)	\$ (402,874)	\$ (414,960)	\$ (427,409)	\$ (440,231)	\$ (453,438)	\$ (467,041)	\$ (481,052)	\$ (495,484)	\$ (510,349)
Total Operating Expenses	\$ (558,192)	\$ (574,938)	\$ (592,186)	\$ (609,952)	\$ (628,250)	\$ (647,098)	\$ (666,511)	\$ (686,506)	\$ (707,102)	\$ (728,316)
<b>Net Operating Income</b>	<b>\$ 393,108</b>	<b>\$ 535,546</b>	<b>\$ 686,178</b>	<b>\$ 706,762</b>	<b>\$ 727,965</b>	<b>\$ 749,804</b>	<b>\$ 772,298</b>	<b>\$ 795,467</b>	<b>\$ 819,330</b>	<b>\$ 843,909</b>
<i>Resale Value @ Cap Rate:</i>										
6.50%	\$ 6,047,815	\$ 8,239,169	\$ 10,556,585	\$ 10,873,262	\$ 11,199,462	\$ 11,535,446	\$ 11,881,508	\$ 12,237,954	\$ 12,605,077	\$ 12,983,215
7.50%	\$ 5,241,440	\$ 7,140,613	\$ 9,149,040	\$ 9,423,493	\$ 9,706,200	\$ 9,997,387	\$ 10,297,307	\$ 10,606,227	\$ 10,924,400	\$ 11,252,120
8.50%	\$ 4,624,800	\$ 6,300,541	\$ 8,072,682	\$ 8,314,847	\$ 8,564,294	\$ 8,821,224	\$ 9,085,859	\$ 9,358,435	\$ 9,639,176	\$ 9,928,341
Debt Service	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)	\$ (1,298,731)
EBITDA	\$ (905,623)	\$ (763,185)	\$ (612,553)	\$ (591,969)	\$ (570,766)	\$ (548,927)	\$ (526,433)	\$ (503,264)	\$ (479,401)	\$ (454,822)
Cash on Cash Return	-12.73%	-10.73%	-8.61%	-8.32%	-8.02%	-7.71%	-7.40%	-7.07%	-6.74%	-6.39%
Cash on Cost Return	-3.82%	-3.22%	-2.58%	-2.50%	-2.41%	-2.31%	-2.22%	-2.12%	-2.02%	-1.92%

### Developer Score Card

	Actual	Desired
Cash on Cash Return	-8.37%	6-10%
Cash on Cost Return	-2.51%	6-9%
Unleveraged IRR		
5-Year	-13.96%	15%
10-Year	-3.55%	12%
Leveraged IRR		
5-Year	N/A	20%
10-Year	N/A	15%