

Assumptions: Texaco, Concept 2

General Inputs

Opportunity Site Name	Texaco
Development Concept	2

Development types	No. Units	Average Unit Size	Total Net SF	Parking Ratios	No. Parking Spaces
Residential: For Rent	84	750	62,989	1.14	96
Retail/Commercial (NNN)	0	0	9,596	1.15	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
Total	84		72,585		107

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	\$1.40	\$1,050	\$16.80	\$12,600.00	\$1,058,400	32%	-\$338	-\$0.45	-\$5.40	-\$340,200
Retail/Commercial (NNN)	\$1.17		\$14.00		\$134,344	15%		-\$0.18	-\$2.10	-\$20,152
Office (FS)	\$1.25		\$15.00		\$0	53%		-\$0.67	-\$8.00	\$0
Live/Work	\$1.40	\$0	\$16.80	\$0.00	\$0	32%	\$0	-\$0.45	-\$5.40	\$0
Flex Space (NNN)	\$0.71		\$8.50		\$0	14%		-\$0.10	-\$1.20	\$0
Total					\$1,192,744					-\$360,352

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	\$9,079,760

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	107	28,101	263
Surface	0	0	0
Total	107	28,101	

Uses of funds: Texaco, Concept 2

Costs	Total	Per SF	# GSF	Notes
<i>Hard Costs</i>				
Site Acquisition	\$600,000	\$0.00	41,770	SF of site
Construction - Residential	\$11,115,900	\$150.00	74,106	gross SF of building
Construction - Retail/Com	\$1,185,450	\$105.00	11,290	gross SF of building
Building Skin	\$0	\$0.00	0	Façade SF
Landscaping	\$14,178	\$6.00	2,363	Landscaping
TI Allowance - Office	\$0	\$45.00	0	Net SF
TI Allowance - Retail	\$335,860	\$35.00	9,596	Net SF
Parking - Tuck Under	\$1,826,565	\$65.00	28,101	
Frontage Improvements / PARs	\$1,500,000			City requirement for street enhancements
Hard Cost Contingency	\$1,198,346	\$10.56	113,497	7.5% other hard costs
Subtotal	\$17,776,299	\$156.62	113,497	
<i>Soft Costs</i>				
Architecture & Engineering	\$1,244,341	\$10.96	113,497	7.0% of hard costs
General Soft Costs	\$711,052	\$6.26	113,497	4.0% - Legal fees, other consultants
Financing Fees	\$177,763	\$1.57	113,497	1.0% of hard costs
City Fees and Permits	\$188,116	\$1.66	113,497	Building Permit Fees based on hard cost valuation. Does not include any trade permits or deferred submittals.
SDCs	\$800,000	\$7.05	113,497	
Developer Fee	\$888,815	\$7.83	113,497	5.0% of hard costs
FF&E	\$0	\$0.00	113,497	
Soft Cost Contingency	\$300,756	\$2.65	113,497	7.5% of soft costs
Subtotal	\$4,310,843	\$37.98	113,497	24.3%
Total Cost	\$22,087,142	\$194.61	113,497	

Loan Details: Texaco, Concept 2

Source No.	Type	Loan						
		Amount	Amortization (Years)	Loan Term (Years)	Interest Rate (Annual)	Payment (Annual)	Payment (Monthly)	Payments (Total)
Source 1	Equity	\$6,626,143	0	0	0%	N/A	N/A	N/A
Source 2	Bank Loan	\$15,460,999	25	25	6%	\$1,195,380	\$99,615	\$29,884,500
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		\$22,087,142						
		\$0						
Total Equity		\$6,626,143						
Total Financing		\$15,460,999						
Loan to Value Ratio		70%						

Annual Debt Service: Texaco, Concept 2

	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	\$ 6,626,143	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 15,460,999	\$ 15,179,196	\$ 14,880,485	\$ 14,563,851	\$ 14,228,219	\$ 13,872,449	\$ 13,495,333	\$ 13,095,590	\$ 12,671,862	\$ 12,222,711
Total Payment	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)
Principal	\$ (281,803)	\$ (298,711)	\$ (316,634)	\$ (335,632)	\$ (355,770)	\$ (377,116)	\$ (399,743)	\$ (423,728)	\$ (449,151)	\$ (476,100)
Interest	\$ (927,660)	\$ (910,752)	\$ (892,829)	\$ (873,831)	\$ (853,693)	\$ (832,347)	\$ (809,720)	\$ (785,735)	\$ (760,312)	\$ (733,363)
Ending Balance	\$ 15,179,196	\$ 14,880,485	\$ 14,563,851	\$ 14,228,219	\$ 13,872,449	\$ 13,495,333	\$ 13,095,590	\$ 12,671,862	\$ 12,222,711	\$ 11,746,611
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	4.20%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Beginning Balance	\$ 22,087,142	\$ 15,179,196	\$ 14,880,485	\$ 14,563,851	\$ 14,228,219	\$ 13,872,449	\$ 13,495,333	\$ 13,095,590	\$ 12,671,862	\$ 12,222,711
Total Payment	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)
Principal	\$ (281,803)	\$ (298,711)	\$ (316,634)	\$ (335,632)	\$ (355,770)	\$ (377,116)	\$ (399,743)	\$ (423,728)	\$ (449,151)	\$ (476,100)
Interest	\$ (927,660)	\$ (910,752)	\$ (892,829)	\$ (873,831)	\$ (853,693)	\$ (832,347)	\$ (809,720)	\$ (785,735)	\$ (760,312)	\$ (733,363)
Ending Balance	\$ 15,179,196	\$ 14,880,485	\$ 14,563,851	\$ 14,228,219	\$ 13,872,449	\$ 13,495,333	\$ 13,095,590	\$ 12,671,862	\$ 12,222,711	\$ 11,746,611
Net Operating Income	\$ 380,365	\$ 514,629	\$ 656,606	\$ 676,304	\$ 696,593	\$ 717,491	\$ 739,016	\$ 761,187	\$ 784,022	\$ 807,544
Debt Service Coverage Ratio	0.31	0.43	0.54	0.56	0.58	0.59	0.61	0.63	0.65	0.67

Financial Projections: Texaco, Concept 2

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Gross Revenue	\$ 1,192,744	\$ 1,228,526	\$ 1,265,382	\$ 1,303,343	\$ 1,342,443	\$ 1,382,716	\$ 1,424,197	\$ 1,466,923	\$ 1,510,931	\$ 1,556,259
Vacancy Rate	25%	15%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Loss	\$ (298,186)	\$ (184,279)	\$ (63,269)	\$ (65,167)	\$ (67,122)	\$ (69,136)	\$ (71,210)	\$ (73,346)	\$ (75,547)	\$ (77,813)
Effective Gross Revenue	\$ 894,558	\$ 1,044,247	\$ 1,202,113	\$ 1,238,176	\$ 1,275,321	\$ 1,313,580	\$ 1,352,987	\$ 1,393,577	\$ 1,435,384	\$ 1,478,446
Property Tax	\$ (153,841)	\$ (158,456)	\$ (163,210)	\$ (168,106)	\$ (173,149)	\$ (178,343)	\$ (183,693)	\$ (189,204)	\$ (194,880)	\$ (200,726)
Other Operating Expenses	\$ (360,352)	\$ (371,162)	\$ (382,297)	\$ (393,766)	\$ (405,579)	\$ (417,746)	\$ (430,278)	\$ (443,186)	\$ (456,482)	\$ (470,176)
Total Operating Expenses	\$ (514,193)	\$ (529,618)	\$ (545,507)	\$ (561,872)	\$ (578,728)	\$ (596,089)	\$ (613,971)	\$ (632,390)	\$ (651,362)	\$ (670,902)
Net Operating Income	\$ 380,365	\$ 514,629	\$ 656,606	\$ 676,304	\$ 696,593	\$ 717,491	\$ 739,016	\$ 761,187	\$ 784,022	\$ 807,544
<i>Resale Value @ Cap Rate:</i>										
6.50%	\$ 5,851,775	\$ 7,917,369	\$ 10,101,631	\$ 10,404,677	\$ 10,716,815	\$ 11,038,323	\$ 11,369,477	\$ 11,710,569	\$ 12,061,877	\$ 12,423,754
7.50%	\$ 5,071,539	\$ 6,861,720	\$ 8,754,747	\$ 9,017,387	\$ 9,287,907	\$ 9,566,547	\$ 9,853,547	\$ 10,149,160	\$ 10,453,627	\$ 10,767,253
8.50%	\$ 4,474,887	\$ 6,054,459	\$ 7,724,776	\$ 7,956,518	\$ 8,195,212	\$ 8,441,071	\$ 8,694,306	\$ 8,955,141	\$ 9,223,788	\$ 9,500,518
Debt Service	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)	\$ (1,209,463)
EBITDA	\$ (829,098)	\$ (694,834)	\$ (552,857)	\$ (533,159)	\$ (512,870)	\$ (491,972)	\$ (470,447)	\$ (448,276)	\$ (425,441)	\$ (401,919)
Cash on Cash Return	-12.51%	-10.49%	-8.34%	-8.05%	-7.74%	-7.42%	-7.10%	-6.77%	-6.42%	-6.07%
Cash on Cost Return	-3.75%	-3.15%	-2.50%	-2.41%	-2.32%	-2.23%	-2.13%	-2.03%	-1.93%	-1.82%

Developer Score Card

	Actual	Desired
Cash on Cash Return	-8.09%	6-10%
Cash on Cost Return	-2.43%	6-9%
Unleveraged IRR		
5-Year	-13.45%	15%
10-Year	-3.24%	12%
Leveraged IRR		
5-Year	N/A	20%
10-Year	N/A	15%