

### Assumptions: Texaco, Concept 3

**General Inputs**

Opportunity Site Name	Texaco
Development Concept	3

Development types	No. Units	Average Unit Size	Total Net SF	Parking Ratios	No. Parking Spaces
Residential: For Rent	115	751	86,367	0.83	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
<b>Total</b>	<b>115</b>		<b>95,963</b>		<b>107</b>

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	\$1,051	\$16.80	\$12,612	\$1,450,380	32%	-\$338	-\$0.45	-\$5.40	-\$466,194
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	\$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>\$1,584,724</b>					<b>-\$486,345</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	#####

**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
<b>Total</b>	<b>107</b>	<b>28,101</b>	

### Uses of funds: Texaco, Concept 3

<b>Costs</b>	<b>Total</b>	<b>Per SF</b>	<b># GSF</b>	<b>Notes</b>
<i>Hard Costs</i>				
Site Acquisition	\$600,000	\$0.00	41,770	SF of site
Construction - Residential	\$15,241,200	\$150.00	101,608	gross SF of building
Construction - Retail / Commercial	\$1,185,450	\$105.00	11,290	gross SF of building
Building Skin	\$0	\$0.00	0	Façade SF
Landscaping	\$7,518	\$6.00	1,253	Landscaping
TI Allowance - Office	\$0	\$45.00	0	Net SF
TI Allowance - Retail	\$335,860	\$35.00	9,596	Net SF
Parking - Tuck	\$1,826,565	\$65.00	28,101	
Frontage Improvements / PARs	\$1,500,000			City requirement for street enhancements
Hard Cost Contingency	\$1,507,244	\$10.69	140,999	7.5% other hard costs
<b>Subtotal</b>	<b>\$22,203,837</b>	<b>\$157.48</b>	<b>140,999</b>	
<i>Soft Costs</i>				
Architecture and Engineering	\$1,554,269	\$11.02	140,999	7.0% of hard costs
General Soft Costs	\$888,153	\$6.30	140,999	4.0% - Legal fees, other consultants
Financing Fees	\$222,038	\$1.57	140,999	1.0% of hard costs
City Fees and Permits	\$241,246	\$1.71	140,999	Building Permit Fees based on hard cost valuation. Does not include any trade permits or deferred submittals.
SDCs	\$1,242,705	\$8.81	140,999	Estimated
Developer Fee	\$1,110,192	\$7.87	140,999	5.0% of hard costs
FF&E	\$0	\$0.00	140,999	
Soft Cost Contingency	\$394,395	\$2.80	140,999	7.5% of soft costs
<b>Subtotal</b>	<b>\$5,652,998</b>	<b>\$40.09</b>	<b>140,999</b>	<b>25.5%</b>
<b>Total Cost</b>	<b>\$27,856,836</b>	<b>\$197.57</b>	<b>140,999</b>	

## Loan Details: Texaco, Concept 3

Source No.	Type	Loan						
		Amount	Amortization (Years)	Loan Term (Years)	Interest Rate (Annual)	Payment (Annual)	Payment (Monthly)	Payments (Total)
Source 1	Equity	\$8,357,051	0	0	0%	N/A	N/A	N/A
Source 2	Bank Loan	\$19,499,785	25	25	6%	\$1,507,644	\$125,637	\$37,691,100
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
<b>Total</b>		<b>\$27,856,836</b>						
		\$0						
Total Equity	\$8,357,051							
Total Financing	\$19,499,785							
Loan to Value Ratio	70%							

### Annual Debt Service: Texaco, Concept 3

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Source 1 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	\$ 8,357,051	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Source 2 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	\$ 19,499,785	\$ 19,144,368	\$ 18,767,626	\$ 18,368,280	\$ 17,944,973	\$ 17,496,267	\$ 17,020,639	\$ 16,516,473	\$ 15,982,057	\$ 15,415,576
Total Payment	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)
Principal	\$ (355,417)	\$ (376,742)	\$ (399,346)	\$ (423,307)	\$ (448,706)	\$ (475,628)	\$ (504,166)	\$ (534,416)	\$ (566,481)	\$ (600,469)
Interest	\$ (1,169,987)	\$ (1,148,662)	\$ (1,126,058)	\$ (1,102,097)	\$ (1,076,698)	\$ (1,049,776)	\$ (1,021,238)	\$ (990,988)	\$ (958,923)	\$ (924,935)
Ending Balance	\$ 19,144,368	\$ 18,767,626	\$ 18,368,280	\$ 17,944,973	\$ 17,496,267	\$ 17,020,639	\$ 16,516,473	\$ 15,982,057	\$ 15,415,576	\$ 14,815,107
<b>Source 3 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										
Ending Balance										
<b>Source 4 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										
Ending Balance										
<b>Source 5 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										
Ending Balance										
<b>Total 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	\$ 27,856,836	\$ 19,144,368	\$ 18,767,626	\$ 18,368,280	\$ 17,944,973	\$ 17,496,267	\$ 17,020,639	\$ 16,516,473	\$ 15,982,057	\$ 15,415,576
Total Payment	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)
Principal	\$ (355,417)	\$ (376,742)	\$ (399,346)	\$ (423,307)	\$ (448,706)	\$ (475,628)	\$ (504,166)	\$ (534,416)	\$ (566,481)	\$ (600,469)
Interest	\$ (1,169,987)	\$ (1,148,662)	\$ (1,126,058)	\$ (1,102,097)	\$ (1,076,698)	\$ (1,049,776)	\$ (1,021,238)	\$ (990,988)	\$ (958,923)	\$ (924,935)
Ending Balance	\$ 19,144,368	\$ 18,767,626	\$ 18,368,280	\$ 17,944,973	\$ 17,496,267	\$ 17,020,639	\$ 16,516,473	\$ 15,982,057	\$ 15,415,576	\$ 14,815,107
<b>Net Operating Income</b>	\$ 511,079	\$ 689,637	\$ 878,449	\$ 904,802	\$ 931,947	\$ 959,905	\$ 988,703	\$ 1,018,363	\$ 1,048,914	\$ 1,080,381
<b>Debt Service Coverage Ratio</b>	0.34	0.45	0.58	0.59	0.61	0.63	0.65	0.67	0.69	0.71

## Financial Projections: Texaco, Concept 3

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Potential Gross Revenue	\$ 1,584,724	\$ 1,632,266	\$ 1,681,234	\$ 1,731,671	\$ 1,783,621	\$ 1,837,130	\$ 1,892,244	\$ 1,949,011	\$ 2,007,481	\$ 2,067,705
Vacancy Rate	25%	15%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Loss	\$ (396,181)	\$ (244,840)	\$ (84,062)	\$ (86,584)	\$ (89,181)	\$ (91,857)	\$ (94,612)	\$ (97,451)	\$ (100,374)	\$ (103,385)
Effective Gross Revenue	\$ 1,188,543	\$ 1,387,426	\$ 1,597,172	\$ 1,645,087	\$ 1,694,440	\$ 1,745,273	\$ 1,797,632	\$ 1,851,560	\$ 1,907,107	\$ 1,964,320
Property Tax	\$ (191,119)	\$ (196,853)	\$ (202,759)	\$ (208,842)	\$ (215,107)	\$ (221,560)	\$ (228,207)	\$ (235,053)	\$ (242,105)	\$ (249,368)
Other Operating Expenses	\$ (486,345)	\$ (500,936)	\$ (515,964)	\$ (531,443)	\$ (547,386)	\$ (563,808)	\$ (580,722)	\$ (598,144)	\$ (616,088)	\$ (634,571)
Total Operating Expenses	\$ (677,464)	\$ (697,789)	\$ (718,723)	\$ (740,285)	\$ (762,493)	\$ (785,368)	\$ (808,929)	\$ (833,197)	\$ (858,193)	\$ (883,939)
<b>Net Operating Income</b>	<b>\$ 511,079</b>	<b>\$ 689,637</b>	<b>\$ 878,449</b>	<b>\$ 904,802</b>	<b>\$ 931,947</b>	<b>\$ 959,905</b>	<b>\$ 988,703</b>	<b>\$ 1,018,363</b>	<b>\$ 1,048,914</b>	<b>\$ 1,080,381</b>
<i>Resale Value @ Cap Rate:</i>										
6.50%	\$ 7,862,751	\$ 10,609,800	\$ 13,514,600	\$ 13,920,031	\$ 14,337,646	\$ 14,767,769	\$ 15,210,815	\$ 15,667,123	\$ 16,137,138	\$ 16,621,246
7.50%	\$ 6,814,384	\$ 9,195,160	\$ 11,712,653	\$ 12,064,027	\$ 12,425,960	\$ 12,798,733	\$ 13,182,707	\$ 13,578,173	\$ 13,985,520	\$ 14,405,080
8.50%	\$ 6,012,692	\$ 8,113,376	\$ 10,334,694	\$ 10,644,729	\$ 10,964,082	\$ 11,293,000	\$ 11,631,800	\$ 11,980,741	\$ 12,340,165	\$ 12,710,365
Debt Service	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)	\$ (1,525,404)
EBITDA	\$ (1,014,325)	\$ (835,767)	\$ (646,955)	\$ (620,602)	\$ (593,457)	\$ (565,499)	\$ (536,701)	\$ (507,041)	\$ (476,490)	\$ (445,023)
Cash on Cash Return	-12.14%	-10.00%	-7.74%	-7.43%	-7.10%	-6.77%	-6.42%	-6.07%	-5.70%	-5.33%
Cash on Cost Return	-3.64%	-3.00%	-2.32%	-2.23%	-2.13%	-2.03%	-1.93%	-1.82%	-1.71%	-1.60%

### Developer Score Card

	Actual	Desired
Cash on Cash Return	-7.47%	6-10%
Cash on Cost Return	-2.24%	6-9%
Unleveraged IRR		
5-Year	-12.35%	15%
10-Year	-2.58%	12%
Leveraged IRR		
5-Year	N/A	20%
10-Year	N/A	15%