

Assumptions: Dark Horse, Concept 3

General Inputs

Opportunity Site Name	Dark Horse
Development Concept	3

Development types	No. Units	Average Unit Size	Total Net SF	Parking Ratios	No. Parking Spaces
Residential: For Rent	0	0	0	0.00	0
Retail/Commercial (NNN)	0	0	20,510	0.73	15
Office (FS)	0	0	28,661	1.47	42
Live/Work	0	0	0	0.00	0
Flex Space (NNN)	0	0	0	0.00	0
Total	0		49,171		57

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	\$0.00	\$15.60	\$0.00	\$0	35%	\$0	-\$0.45	-\$5.40	\$0
Retail/Commercial (NNN)	\$1.17		\$14.00		\$287,140	15%		-\$0.18	-\$2.10	-\$43,071
Office (FS)	\$1.25		\$15.00		\$429,915	53%		-\$0.67	-\$8.00	-\$229,288
Live/Work	\$1.30	\$0.00	\$15.60	\$0.00	\$0	35%	\$0	-\$0.45	-\$5.40	\$0
Flex Space (NNN)	\$0.71		\$8.50		\$0	14%		-\$0.10	-\$1.20	\$0
Total					\$717,055					-\$272,359

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	\$4,917,165

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	57	14,793	260
Surface	0	0	0
Total	57	14,793	

Uses of funds: Dark Horse, Concept 3

Costs	Total	Per SF	# GSF	Notes
<i>Hard Costs</i>				
Site Acquisition	\$0	\$0.00	27,435	SF of site
Construction - Retail / Commercial	\$1,537,725	\$105.00	14,645	gross SF of building
Construction - Office	\$3,568,200	\$120.00	29,735	
Construction - Adaptive Reuse	\$673,450	\$50.00	13,469	
Building Skin	\$0	\$0.00	0	Façade SF (assumes masonry/brick/steel façade on one side of building)
Landscaping	\$0	\$6.00	0	Landscaping
TI Allowance - Office	\$1,289,745	\$45.00	28,661	Net SF
TI Allowance - Retail	\$717,850	\$35.00	20,510	Net SF
Parking - Structured	\$1,109,475	\$75.00	14,793	
Frontage Improvements / PARs	\$875,000			City requirement for street enhancements
Hard Cost Contingency	\$732,858	\$12.67	57,849	7.5% other hard costs
Subtotal	\$10,504,303	\$181.58	57,849	
<i>Soft Costs</i>				
Architecture & Engineering	\$735,301	\$12.71	57,849	7.0% of hard costs
Other Soft Costs	\$420,172	\$7.26	57,849	4.0% - Legal fees, other consultants
Financing Fees	\$105,043	\$1.82	57,849	1.0% of hard costs
City Fees and Permits	\$115,552	\$2.00	57,849	Building Permit Fees based on hard cost valuation. Does not include any trade permits or deferred submittals.
SDCs	\$128,000	\$2.21	57,849	
Developer Fee	\$525,215	\$9.08	57,849	5.0% of hard costs
FF&E	\$0	\$0.00	57,849	
Soft Cost Contingency	\$152,196	\$2.63	57,849	7.5% of soft costs
Subtotal	\$2,181,479	\$37.71	57,849	20.8%
Total Cost	\$12,685,782	\$219.29	57,849	

Loan Details: Dark Horse, Concept 3

Source No.	Type	Loan						
		Amount	Amortization (Years)	Loan Term (Years)	Interest Rate (Annual)	Payment (Annual)	Payment (Monthly)	Payments (Total)
Source 1	Equity	\$5,074,313	0	0	0%	N/A	N/A	N/A
Source 2	Bank Loan	\$7,611,469	25	25	6%	\$588,492	\$49,041	\$14,712,300
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		\$12,685,782						
								\$0
Total Equity		\$5,074,313						
Total Financing		\$7,611,469						
Loan to Value Ratio		60%						

Annual Debt Service: Dark Horse, Concept 3

	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	\$ 5,074,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 7,611,469	\$ 7,472,737	\$ 7,325,681	\$ 7,169,802	\$ 7,004,570	\$ 6,829,424	\$ 6,643,769	\$ 6,446,975	\$ 6,238,374	\$ 6,017,256
Total Payment	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)
Principal	\$ (138,732)	\$ (147,056)	\$ (155,879)	\$ (165,232)	\$ (175,146)	\$ (185,655)	\$ (196,794)	\$ (208,601)	\$ (221,118)	\$ (234,385)
Interest	\$ (456,688)	\$ (448,364)	\$ (439,541)	\$ (430,188)	\$ (420,274)	\$ (409,765)	\$ (398,626)	\$ (386,819)	\$ (374,302)	\$ (361,035)
Ending Balance	\$ 7,472,737	\$ 7,325,681	\$ 7,169,802	\$ 7,004,570	\$ 6,829,424	\$ 6,643,769	\$ 6,446,975	\$ 6,238,374	\$ 6,017,256	\$ 5,782,871
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	\$ 12,685,782	\$ 7,472,737	\$ 7,325,681	\$ 7,169,802	\$ 7,004,570	\$ 6,829,424	\$ 6,643,769	\$ 6,446,975	\$ 6,238,374	\$ 6,017,256
Total Payment	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)
Principal	\$ (138,732)	\$ (147,056)	\$ (155,879)	\$ (165,232)	\$ (175,146)	\$ (185,655)	\$ (196,794)	\$ (208,601)	\$ (221,118)	\$ (234,385)
Interest	\$ (456,688)	\$ (448,364)	\$ (439,541)	\$ (430,188)	\$ (420,274)	\$ (409,765)	\$ (398,626)	\$ (386,819)	\$ (374,302)	\$ (361,035)
Ending Balance	\$ 7,472,737	\$ 7,325,681	\$ 7,169,802	\$ 7,004,570	\$ 6,829,424	\$ 6,643,769	\$ 6,446,975	\$ 6,238,374	\$ 6,017,256	\$ 5,782,871
Net Operating Income	\$ 182,119	\$ 261,440	\$ 345,356	\$ 355,717	\$ 366,388	\$ 377,381	\$ 388,703	\$ 400,365	\$ 412,376	\$ 424,747
Debt Service Coverage Ratio	0.31	0.44	0.58	0.60	0.62	0.63	0.65	0.67	0.69	0.71

Financial Projections: Dark Horse, 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	\$ 717,055	\$ 738,567	\$ 760,724	\$ 783,546	\$ 807,052	\$ 831,264	\$ 856,202	\$ 881,888	\$ 908,345	\$ 935,595
Vacancy Rate	25%	15%	5%	5%	5%	5%	5%	5%	5%	5%
Vacancy Loss	\$ (179,264)	\$ (110,785)	\$ (38,036)	\$ (39,177)	\$ (40,353)	\$ (41,563)	\$ (42,810)	\$ (44,094)	\$ (45,417)	\$ (46,780)
Effective Gross Revenue	\$ 537,791	\$ 627,782	\$ 722,688	\$ 744,369	\$ 766,699	\$ 789,701	\$ 813,392	\$ 837,794	\$ 862,928	\$ 888,815
Property Tax	\$ (83,313)	\$ (85,812)	\$ (88,386)	\$ (91,038)	\$ (93,769)	\$ (96,582)	\$ (99,479)	\$ (102,463)	\$ (105,537)	\$ (108,703)
Other Operating Expenses	\$ (272,359)	\$ (280,530)	\$ (288,946)	\$ (297,614)	\$ (306,542)	\$ (315,738)	\$ (325,210)	\$ (334,966)	\$ (345,015)	\$ (355,365)
Total Operating Expenses	\$ (355,672)	\$ (366,342)	\$ (377,332)	\$ (388,652)	\$ (400,311)	\$ (412,320)	\$ (424,689)	\$ (437,429)	\$ (450,552)	\$ (464,068)
Net Operating Income	\$ 182,119	\$ 261,440	\$ 345,356	\$ 355,717	\$ 366,388	\$ 377,381	\$ 388,703	\$ 400,365	\$ 412,376	\$ 424,747
<i>Resale Value @ Cap Rate:</i>										
6.50%	\$ 2,801,831	\$ 4,022,154	\$ 5,313,169	\$ 5,472,569	\$ 5,636,738	\$ 5,805,862	\$ 5,980,046	\$ 6,159,462	\$ 6,344,246	\$ 6,534,569
7.50%	\$ 2,428,253	\$ 3,485,867	\$ 4,604,747	\$ 4,742,893	\$ 4,885,173	\$ 5,031,747	\$ 5,182,707	\$ 5,338,200	\$ 5,498,347	\$ 5,663,293
8.50%	\$ 2,142,576	\$ 3,075,765	\$ 4,063,012	\$ 4,184,906	\$ 4,310,447	\$ 4,439,776	\$ 4,572,976	\$ 4,710,176	\$ 4,851,482	\$ 4,997,024
Debt Service	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)	\$ (595,420)
EBITDA	\$ (413,301)	\$ (333,980)	\$ (250,064)	\$ (239,703)	\$ (229,032)	\$ (218,039)	\$ (206,717)	\$ (195,055)	\$ (183,044)	\$ (170,673)
Cash on Cash Return	-8.14%	-6.58%	-4.93%	-4.72%	-4.51%	-4.30%	-4.07%	-3.84%	-3.61%	-3.36%
Cash on Cost Return	-3.26%	-2.63%	-1.97%	-1.89%	-1.81%	-1.72%	-1.63%	-1.54%	-1.44%	-1.35%

Developer Score Card

	Actual	Desired
Cash on Cash Return	-4.81%	6-10%
Cash on Cost Return	-1.92%	6-9%
Unleveraged IRR		
5-Year	-15.11%	15%
10-Year	-4.25%	12%
Leveraged IRR		
5-Year	N/A	20%
10-Year	N/A	15%