

TN Brewery Phase II

495 TN Partners

6/13/2017



**495 TN PARTNERS
PHASE II**

**Tennessee Brewery/ Brewery District Development (the "Project")
PILOT Application**

1. Applicant:
495 TN PARTNERS
4091 Viscount Ave.
Memphis, Tennessee 38118
901 -794-9494

Representatives:

William Orgel	901-870-7555
Jay Lindy	901 -277-8297
Adam Slovis	901- 831-0683

2. The Project is being developed by the Applicant, whose principles and investor group have been involved with redevelopment efforts in Memphis, and specifically in the downtown area, for over twenty years.

William Orgel (Billy) is a native of Memphis, Tennessee. He received a BBA from the University of Texas at Austin in 1985. After graduation, he moved to Memphis to work at his family business, Majestic Communications, which he helped build into the areas' largest retailer of Motorola two-way radios. Due to the Telecommunications Act of 1996 there was an emergence of new wireless phone carriers across the country, and Billy began to build on his existing portfolio of communications towers by performing build to suit services for these new carriers. His company that he runs with his partners, Tower Ventures, currently own over 430 towers and they have built and sold an additional 800 towers since the company began its operations. Currently, Tower Ventures leases tower space in over 35 states and is one of the largest private tower companies in the country. Billy is a past President of the Board of Trustees at Temple Israel Synagogue in Memphis and former Co-Chair of their 25 million Capital Campaign. Recently, he was re-elected to a second term to the Shelby County School Board and served as its Chairman of this body for two years. He is a Past Chairman of the Board of Directors of Bridges, Inc., where he chaired the Building Committee for their new facility. Billy is also a past Board Member of the New Memphis Arena Public Building Authority that oversaw the construction of the FedEx Forum, the home of the University of Memphis Tigers and the NBA's Memphis Grizzlies. He is also one of the members of the Grizzlies ownership group. In addition, he is a member of the Executive Board of the National Civil Rights Museum in Memphis (site of the Lorraine Motel and assassination of Dr. King), a member of the Methodist Hospital Board, a member of the Memphis University School Board of Trustees, and a member of the St. Mary's Episcopal School Board of Trustees. In the past, he was a member of both the Port Commission for Memphis and Shelby County and the Memphis and Shelby County Charter Commission. Billy and his wife, Robin, are also Ambassadors for the University of Memphis Athletic Department In 1999; Billy was selected by the Memphis Business

Journal as one of their “Top 40 Under 40” of local community leaders and was recently selected as a member of the Memphis chapter of the Society of Entrepreneurs, where he now serves on the board. In addition, Billy is an Organizer and Director of the First Capital Bank located in Germantown, Tennessee, a community bank with 300 million in assets. Over the years, Billy became interested in preserving historic buildings in Downtown Memphis, and to date he and his partners have completed new construction as well as the preservation of 7 buildings that include commercial space and 500 apartments, and he is part of the investment group for South Junction Apartments. Currently, he and his group are working on the renovation of the historic Tennessee Brewery built in 1890 and located above the Mississippi River in Downtown Memphis. Billy is also involved in the restaurant business as a franchisee of Ruth’s Chris in Rogers, Arkansas.

Jay Lindy, is a native of Memphis, Tennessee. He received a B.A. from Cornell University and his J.D. from the University of Denver. After graduation from law school, he moved to Memphis to practice law. Jay is a past member of the Center City Development Corporation, including being a past Chairman of the Center City Development Corporation. He is a founder and director of Emerge Memphis, and is part of the investment group for South Junction Apartments. Prior to his present position as Chief Operating Officer and General Counsel of Tower Ventures, Jay was in private law practice for 21 years. While in private practice, he served as counsel to the development team for 113 South Main, 99-105 South Main, 66 South Main, and 100 S Main. Jay is part of the group renovating the historic Tennessee Brewery built in 1890 and located above the Mississippi River in Downtown Memphis.

Adam Slovis is a Principal Real Estate Broker with eighteen years plus experience in historic redevelopment, development, brokerage, and leasing and tenant representation. Slovis spent eight years with Belz Enterprises, responsible for the leasing of 7.5 million square feet of retail space through-out the Memphis metro area and provided extensive brokerage and leasing services throughout Memphis and the mid-south region. In the fall of 2004, Slovis & Associates, LLC was formed and Slovis began providing commercial real estate development and brokerage services as an independent agency. Slovis specializes in the developing and leasing of the downtown Memphis market and contributed to multiple historic redevelopment projects; including The Cornerstone, Main Street Flats, Radio Center Flats and Barboro Flats along S. Main Street; as well as many other various properties throughout the downtown Memphis area. Currently he is working with owners, tenants and developers in the Memphis market and throughout the United States. Adam is part of the group renovating the historic Tennessee Brewery built in 1890 and located above the Mississippi River in Downtown Memphis.

3. In a once-abandoned part of downtown Memphis, now bustling with activity, new businesses and residential developments, stands a relic of history, and a time capsule to another world. The Tennessee Brewery (the “Brewery”), a castle-like structure, has long been the subject of local fascination and urban legend, yet it has stood neglected and

under the threat of destruction for the past 34 years.

In the early 2000's, the adaptive reuse of abandoned breweries became a symbol of the urban revitalization movement across America. The Tennessee Brewery's location, remarkable look, and quality of its construction should have made it a prime restoration project for Memphis. Yet, even as neighborhood warehouses were being transformed into luxury condos, offices and art galleries, the Brewery received little attention, serving mainly as a location for photo shoots, videos, and films like "Trespass" and "Walk the Line."

In May of 2015, the CCRFC granted the first phase of the Brewery Project a 20 year PILOT. Phase I consisted of the constructing of a new six floor residential building on the north lot of the Brewery. The new construction contains 88 residential units designed around an interior courtyard with a majority of the new units having river views. The Brewery building is being renovated to contain 46 residential units and approximately 13,500 sq/ft of commercial and office space. Across the street from the Brewery, the construction of a four floor public parking garage with up to 339 parking spaces, 3,800 sq/ft of commercial space and 18 additional residential flex units ("Bottle Shop") above the commercial space have been completed. The northern half of the garage property was reserved for Phase II future development and it is now time to development of that space.

- a) Phase II will consist of 130 unit, four floor new build construction.
- b) The development team commissioned a Local Economic Impact Analysis from Younger Associates. The result of this analysis is included in this application as Appendix 3b.
- c) 11 E. Tennessee St., West Butler Avenue at Tennessee Street, Memphis, Shelby County, Tennessee (Brewery Phase II lot)
Land: 0.83 acres – 36,088 sq/ft
Building: 130 residential units - approximately 80,221 sq/ft
Commercial, 1611 sq. ft.
- d) See Appendix 3d for zoning approval, architectural plans and renderings.
- e) The Brewery was built in 1890 and closed in 1954. The building's subsequent owner used the building to conduct its scrap metal operations until the 1970's, when local investors bought the build with the intent to develop it. For over 30 years the building has been vacant. While there is much history on the Brewery itself, the development team is focused on its redesign to repurpose the building from a "turn of the century" industrial age brewery to a 21st century urban residential space and node for the revival of the south downtown area.

Phase II will be constructed on land that was historically used as a furniture warehouse before being razed by the former owners of the property. The South half of

the land was subdivided and used for the parking garage and Bottle Shop portions of the Brewery Development.

4. The marketing plans for Phase II will encompass various strategies and timing. The market user for the project will be residential, apartment renters who are interested in living in the downtown market within a historic redevelopment, multi-use project located on the city bluff walk near the river parks and other existing residential developments. This renter is typically made up of younger, professionals who are either single or coupled and/or an older individual or couple looking for a downtown residence. The marketing will be done via print, social media, direct marketing, referrals, etc. as typically done by a leasing/management company. The typical lease will be made up of at least a 12 month period with options to extend. Average rent for the apartment units will be in the \$1,000 per month range. Fogelman Management Group is the anticipated leasing/property manager and it is anticipated to be fully occupied within 12 months after construction completion.
 - a) Location of the proposed project by street address: 11 E Tennessee St., West Butler Avenue at Tennessee Street - attached as App 4a.
 - b) Property owner at the time of application submittal: 495 TN PARTNERS.
 - c) n/a
 - d) The Project estimated cost is \$12.3 million. The developers are requesting CCRFC approve an exception to policy and grant a PILOT for 20 years. This request is for CCRFC to grant an exception to the maximum 15-year PILOT as set forth in the CCRFC rule. The applicant will also use conventional bank debt financing. The balance of Project costs and expenses will be funded by the investor group.
5. State the estimated Project costs broken down by component (i.e., land, buildings, equipment, soft costs, etc.) Attach bid estimates and show amounts to be paid from loans and equity amounts. See Financials.
6. Are changes needed to the public space around the Project (For example; sidewalks, lighting and planting)? No.
7. State the proposed time schedule for the Project including the dates anticipated for the following:
 - a) Closing of the loan or contributing financing availability. We anticipate closing the financing for the Project third quarter 2017.
 - b) First expenditure of funds with regard to the project. We are already paying for some soft costs related to design and cleanup of the building. We anticipate first expenditures of funds on construction fourth quarter of 2017.
 - c) Anticipated date construction will begin. We anticipate construction beginning end of fourth quarter 2017, beginning of first quarter 2018.
 - d) Anticipated completion date. We anticipate completion of the project, assuming renovations and construction beginning fourth quarter 2018.
8. Financial Background
 - a) Attach current audited financial statements of the applicant and guarantors. If audited financial statements are unavailable, please submit non-audited

- statements. N/A
- b) State the relationship any applicant or grantor has had with any accounting firm over the last five years and reason for change, if any. The Applicant will use BDO.
- c) Attach three years tax returns if Applicant is an individual. N/A
9. Name any of the following that will be involved with the Project (with address and phone numbers):
- a) Counsel for the Applicant
 Jay Lindy
 4091 Viscount Ave.
 Memphis, TN 38118
 901.277.8297
- b) Architects and engineers
 Shapiro & Company Architects
 4646 Poplar, Suite 517
 Memphis, TN 38117
- c) Contractor for project: TBD
- d) Other professionals N/A
- e) Does the Applicant or any guarantor have any previous or ongoing relationship with any Board member or legal counsel of the Board? No If so please describe in detail.
10. Give three credit references for you personally, and three for your business.
- Personal:
- | | |
|--|--------------|
| Henry Turley, The Henry Turley Company | 901-255-2122 |
| Jeff Meskin, Brown Brothers | 212-493-8896 |
| Mark Halperin, Boyle | 901-766-4299 |
- Business:
- | | |
|-------------------------------|---------------|
| Brandon Cooper, Iberia Bank | 901- 757-7108 |
| Louise Bardon, Trustmark Bank | 901-309-6201 |
| George Slade, First Tennessee | 901-523-4532 |
11. Please disclose whether any applicant, guarantor or any other person involved with the project is currently engaged in any civil or criminal proceeding. Also disclose whether any individual involved with the project has ever been charged or convicted of any felony or currently is under indictment. Please supply detailed information. N/A
12. State law requires that title to the projects be conveyed to CCRFC in order for it to grant payments in lieu of taxes; CCRFC then leases the property to the applicant or entity designated by the applicant. Indicate who the lessee will be for the Project.

495 TN PARTNERS and its affiliate BREWERY MASTER TENANT, LLC

a) State the tax parcel number for all property involved with the Project and the current assessed value of the Property.

Parcel #002092 00031

Assessed Value 2016 : \$184,500

Assessed Value 2017 : \$TBD Assessor has values of tax parcel 002092 00031 (Phase II) confused with tax parcel 002092 00029 (the Garage). Applicant is currently appealing assessments and working with the County Assessor to straighten out confusion.

b) Are any assessments presently under appeal? Yes. If so, describe the status of the appeal. The 2017 assessment has been appealed.

c) Will the Project result in the subdivision of any present tax parcel? No

13. Provide the following information about the loan or proposed loan for the Project.

a) Name, address, and phone number of lender and contact person with lender.

Edward L. Simpson
Senior Credit Officer
Pinnacle Financial
6525 Quail Hollow Road
Memphis, TN 38120

b) Amount of loan-\$ 8.3 million. Equity contributed-\$4.0 million

c) Attach lender's commitment letter. See attached

14. Attach two (2) cash flow pro forma – one that includes a PILOT and one that does not – for at least the length of the PILOT term requested, along with a statement of Sources and Uses of Funds for the project (this may be prepared by the applicant). Sample formats are attached. See Attached.

15. Attach information about the financial history of the Project and previous attempts to develop, if possible. N/A

16. Attach EBO Form A - Proposed Utilization Plan. Form is located as an attachment in this section. At this point in time we have no subcontractors on board and can't provide any meaningful recording on the Form A. What we can say is that Montgomery Martin has an excellent track record for working with the Downtown Memphis Commission on these types of projects and they have repeatedly met or exceeded goals. We have discussed with staff having a pre-bid contracting conference at the MMBC Continuum for this project. Given the requirement of availing contracting opportunities to the minority owned businesses (EBO Program), not just those that MMC knows and has worked with in the past, and the size and nature of this project, working with MMBC Continuum, and the Memphis Area Minority Contractors Association, will be a part of

our outreach efforts.

17. The statement on the following page must be included along with a dated signature of the applicant or applicant's representatives.

The following statement must be included along with a dated signature of the applicant or applicant's representatives.

This application is made in order to induce the Memphis Center City Revenue Finance Corporation (CCRFC) to grant financial incentives to the applicant. The applicant hereby represents that all statements contained herein are true and correct. All information materially significant to the CCRFC in its consideration of the application is included. The applicant expressly consents to the CCRFC's investigation of its credit in connection with this application. The applicant acknowledges that it has reviewed the descriptions of the CCRFC financial program for which it is applying and agrees to comply with those policies. The applicant shall also be required to show a good faith effort with regard to the employment of minority contractors. The applicant specifically agrees to pay all reasonable costs, fees and expenses incurred by the CCRFC whether or not the incentive is granted or project completed.



Applicant Signature



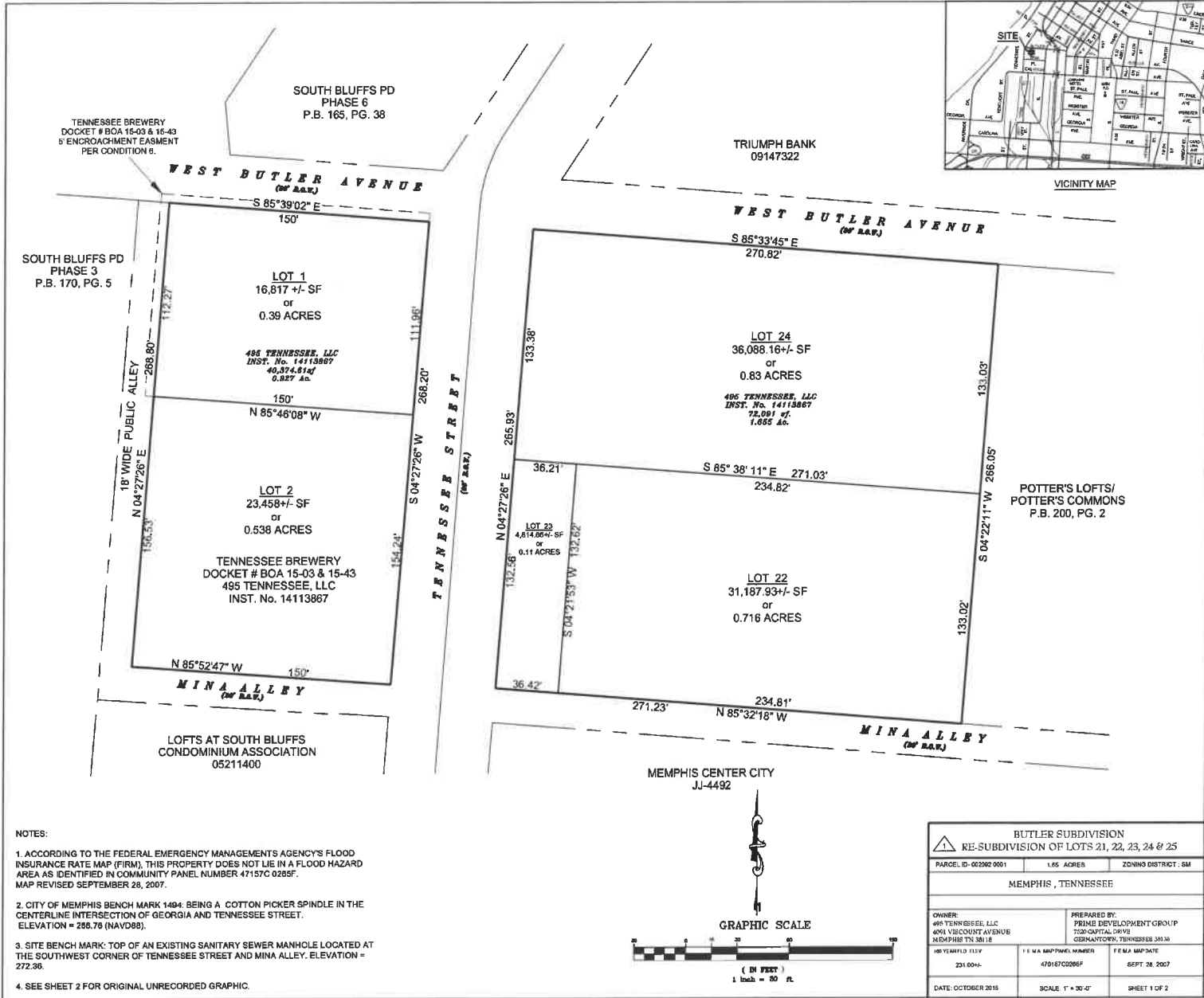
Date

Schedule 4(a)

SURVEYOR'S DESCRIPTION (LOT 24):

Description of Lot 24, Butler Subdivision recorded in Plat Book 265, Page 47, being part of the 495 TN Partners property recorded at Instrument No. 15015887 in Memphis, Shelby County, Tennessee:

Beginning at a set x-cut at the intersection of the East Line of Tennessee Street (60' R.O.W.) and the south line of West Butler Avenue (30' R.O.W.); thence south 85 degrees 33 minutes 45 seconds east with the south line of said West Butler Avenue, 270.82 feet found chisel mark in the west line of Potter's Lofts/Potter's Commons recorded in Plat Book 200, Page 2; thence south 04 degrees 22 minutes 11 seconds west with the west line of said property recorded in Plat Book 200, Page 2, 133.03 feet to a set 1/2" rebar with plastic cap in the north line of Lot 22, Butler Subdivision recorded in Plat Book 265, Page 47; thence north 85 degrees 38 minutes 11 seconds west with the north line of Lot 22 and 23 of said subdivision recorded in Plat Book 265, Page 47, 271.03 feet to a set pk nail in the east line of the aforesaid Tennessee Street; thence north 04 degrees 27 minutes 26 seconds east with the east line of said Tennessee Street, 133.38 feet to the point of beginning and containing 36,088 square feet or 0.828 acres of land.



Appendix 3b
Local Economic Impact Analysis from Younger Associates



Local Economic Impact Analysis Tennessee Brewery District Development Updated May 2017

Scope and Purpose of Study

This analysis is designed to quantify the economic impact of the development and operation of a residential/commercial complex and parking garage in the former Tennessee Brewery facility located in downtown Memphis. Economic impact is measured in terms of dollar value of total economic output, jobs, wages and local tax revenues generated.

The analysis for the project was initially performed prior to the start of construction for Phase I in 2015. Construction is now almost complete with residential and commercial tenants expected before the close of 2017. The development group is now ready to begin construction for Phase II of the project, which includes additional residential and commercial rental space.

This updated analysis maintains the impact initially projected for the construction of Phase I and projects the additional impact from the construction of Phase II. The impact of operations for Phase I and Phase II is projected for a period of 20 years.

Methodology

A model of the Shelby County economy, driven by U.S. Bureau of Economic Analysis Regional Input-Output Multipliers (RIMS II), was used to determine economic impact. The model utilizes local wage rates, local tax rates, historical local tax collection ratios, local commute patterns and regional consumer spending patterns.

The U.S. Bureau of Economic Analysis develops RIMS II multipliers based on historic economic activity at the county level by each 406 industry sectors. The RIMS II multipliers account for inter-industry relationships within regions comprised of one or more counties. They are widely used in both the public and private sectors. They were originally developed to estimate the regional impacts of public projects such as military base closings and airport construction. These multipliers eliminate the need for surveys, which can introduce bias into the data.

Memphis ♦ Jackson, TN
901-272-5005 ♦ 731-668-7367

Market Research | Economic Development Consulting | Strategic Communication

Pro-forma construction costs and operating information for Phase I and II were provided by the development group. Younger Associates collected secondary data from the U.S. Department of Labor, Bureau of Labor Statistics, Tennessee Department of Revenue and the Tennessee Department of Labor and Workforce Development.

Impact Definitions

Economic Impact – the total dollar value of change in output from all industries, within the local economy, that results from \$1 of change in output from operations.

Direct Jobs – the number of jobs directly employed by construction and new operations of the project.

Indirect Jobs – the number of jobs across all industries in the local economy that are supported by the new operations. This could include jobs (or hours of work, which comprise portions of a job) of vendors, business services, retail, personal services, transportation and all other industry sectors.

Local Taxes – the dollar amount of taxes collected for Memphis and Shelby County from local option sales tax, hotel/motel tax and other smaller local tax revenue sources such as business permits, alcohol and tobacco taxes. State and Federal taxes are not included, nor is local revenue sharing from State and Federal tax revenues.

One-Time Construction Impact

The total construction cost of the residential and commercial space and parking garage is projected to be \$22.9 million. For the purposes of the impact analysis, the projected cost does not include the cost of land and certain fee payments. The construction of Phase I will have a one-time economic impact on Shelby County of \$43.8 million over the course of the construction period. This spending will support 307 jobs and generate \$454,472 in local tax revenues.

Additionally, the construction of Phase I will have a one-time impact on the local economy. Construction costs of \$12.3 million are projected to produce an economic impact of \$22.2 million during the construction period and support 118 jobs within Shelby County.

Table I: One-Time Impact	Phase I	Phase II	Total
Investment	\$22,937,375	\$12,300,000	\$35,237,375
Economic Impact	\$43,780,568	\$22,218,720	\$65,999,288
Jobs Supported During Construction Period	307	118	425
Wages	\$16,683,915	\$6,384,390	\$23,068,305
Local Tax Revenue Generated from Capital Investment and Wages	\$454,472	\$212,100	\$666,572

Annual Impact of Operations

Economic impact was calculated based on projected rental revenue on the residential unit, sales revenue generated in the commercial space, and projected revenue generated from parking space rental. Table II below summarizes the annual impact from operations for both Phases I & II:

Table II: Annual Impact from Operations	Total Economic Impact	Jobs Direct & Indirect	Wages (Direct & Indirect)	Local Tax Revenue Generated
Phases I & II				
Residential Complex	\$6,357,573	37	\$1,861,212	\$107,812
Commercial Leasing Space	\$6,670,493	108	\$3,897,072	\$420,977
Parking Garage	\$923,014	5	\$133,400	\$13,493
Total	\$13,951,080	150	\$5,891,684	\$542,282

Local Taxes

New local tax revenues generated annually for Memphis and Shelby County due to the project are summarized in Table III below. Note that only indirect property taxes, which are property taxes generated by wages paid to new jobs, are included in this analysis.

Table III: Summary of Annual Local Taxes for Memphis & Shelby County	
Sales Tax	\$151,004
Other Local Taxes and Fees	\$54,975
Property Tax (Indirect)	\$336,303
Total Local Taxes	\$542,282

**City of Memphis, Shelby County, TN
Tennessee Brewery District Development
Economic Impact Analysis - Summary**

Annual Impact from Operations - At Full Operation							
	Direct/Indirect Jobs	Total Economic Impact	Annual Wages	Local Sales Tax	Local Other Taxes	Indirect Property Tax	Total Local Taxes
Residential Complex (Annual Average)	37	\$ 6,357,573	\$ 1,861,212	\$ 21,609	\$ 7,952	\$ 78,251	\$ 107,812
Commercial Lease Space	108	\$ 6,670,493	\$ 3,897,072	\$ 127,846	\$ 46,453	\$ 246,678	\$ 420,977
Parking Garage	5	\$ 923,014	\$ 133,400	\$ 1,549	\$ 570	\$ 11,374	\$ 13,493
Total	150	\$ 13,951,080	\$ 5,891,684	\$ 151,004	\$ 54,975	\$ 336,303	\$ 542,282

One-Time Impact from Construction							
	Direct/Indirect Jobs	Total Economic Impact	Wages	Local Sales Tax	Local Other Taxes	Indirect Property Tax	Total Local Taxes
Phase I	307	\$ 43,780,568	\$ 16,683,915	\$ 395,632	\$ 58,840	N/A	\$ 454,472
Phase II	118	\$ 22,218,720	\$ 6,384,390	\$ 184,823	\$ 27,277	N/A	\$ 212,100
Total	425	\$ 65,999,288	\$ 23,068,305	\$ 580,455	\$ 86,117	N/A	\$ 666,572

20-Year Total Economic Impact							
	Direct/Indirect Jobs	Total Economic Impact	Wages	Local Sales Tax	Local Other Taxes	Indirect Property Tax	Total Local Taxes
Operation	150	\$ 279,021,591	\$ 117,833,680	\$ 3,020,075	\$ 1,099,499	\$ 6,726,062	\$ 10,845,636
Construction	425	\$ 65,999,288	\$ 23,068,305	\$ 580,455	\$ 86,117	N/A	\$ 666,572
20-Year Total		\$ 345,020,879	\$ 140,901,985	\$ 3,600,530	\$ 1,185,616	\$ 6,726,062	\$ 11,512,208



**City of Memphis, Shelby County, TN
Tennessee Brewery District Development
Economic Impact Analysis**

One Time Impact from Construction - Phase I

	Phase I			Total
	Wash House	Brewery	Parking Garage	
Building - Real Property *	\$ 7,808,433	\$ 10,480,625	\$ 4,648,317	\$ 22,937,375
Final Demand Output Multiplier ¹	1.9087	1.9087	1.9087	
Economic Impact	\$ 14,903,956	\$ 20,004,369	\$ 8,872,243	\$ 43,780,568
Sales Tax Revenue from Capital Investment ²				\$ 206,436
Final Demand Employment Multiplier ³				13.4019
Direct/Indirect Jobs Supported During Construction Period				307
Shelby County Annual Average Wage - All Industries ⁴				\$ 54,345
Wages Paid to Direct/Indirect/Induced Jobs				\$ 16,683,915
Sales Tax Revenue from Wages ⁵				\$ 189,196
Other Tax Revenue from Wages ⁶				\$ 58,840
Total Tax Revenue from Wages Paid During Construction Period				\$ 248,036

*Construction estimates provided by the developer.

**City of Memphis, Shelby County, TN
Tennessee Brewery District Development
Economic Impact Analysis**

One Time Impact from Construction - Phase II

	<u>Phase II</u>
Building - Real Property *	\$ 12,300,000
Final Demand Output Multiplier ⁷	1.8064
Economic Impact	\$ 22,218,720
Sales Tax Revenue from Capital Investment ²	\$ 110,700
Final Demand Employment Multiplier ⁸	9.6058
Direct/Indirect Jobs Supported During Construction Period	118
Shelby County Annual Average Wage - 2017 All Industries ⁹	\$ 54,105
Wages Paid to Direct/Indirect/Induced Jobs	\$ 6,384,390
Sales Tax Revenue from Wages ¹⁰	\$ 74,123
Other Tax Revenue from Wages ¹¹	\$ 27,277
Total Tax Revenue from Wages Paid During Construction Period	\$ 101,400

**Construction estimates provided by the developer.*

**City of Memphis, Shelby County, TN
Tennessee Brewery District Development**

Annual Impact of Operations - Residential

	Year 1		Year 2		Year 3		Year 4	
	2017		2018		2019		2020	
Phase I Projected Rental Revenue	\$	440,896	\$	2,654,376	\$	2,671,830	\$	2,698,548
Phase II Projected Rental Revenue					\$	1,367,365	\$	1,381,039
Total Annual Rental Revenue	\$	440,896	\$	2,654,376	\$	4,039,195	\$	4,079,587
Projected Total Revenue with 93% Occupancy Rate	\$	410,033	\$	2,468,570	\$	3,756,451	\$	3,794,016
Final Demand Output Multiplier ¹²		1.5697		1.5697		1.5697		1.5697
Economic Impact from Rental Revenue	\$	692,074	\$	4,166,574	\$	6,340,324	\$	6,403,728
Final Demand Employment Multiplier ¹³		8.4771		8.4771		8.4771		8.4771
Total Employment (Direct/Indirect)		4		23		34		35
Shelby County Annual Average Wage ⁹	\$	54,105	\$	54,105	\$	54,105	\$	54,105
Total Wages - Direct/Indirect/Induced	\$	216,420	\$	1,244,415	\$	1,839,570	\$	1,893,675
Sales Tax Revenue ¹⁰	\$	2,513	\$	14,448	\$	21,357	\$	21,986
Other Tax Revenue ¹¹	\$	925	\$	5,317	\$	7,859	\$	8,091
Residential/Commercial Property Tax Revenue ¹⁴	\$	9,099	\$	52,319	\$	77,341	\$	79,616
Total Tax Revenue	\$	12,537	\$	72,084	\$	106,557	\$	109,693

**City of Memphis, Shelby County, TN
Tennessee Brewery District Development**

Annual Impact of Operations - Residential								
	Year 5		Year 6		Year 7	Year 8		
	2021		2022		2023	2024		
Phase I Projected Rental Revenue	\$	2,725,534	\$	2,752,789	\$	2,780,317	\$	2,808,120
Phase II Projected Rental Revenue	\$	1,394,849	\$	1,408,798	\$	1,422,886	\$	1,437,115
Total Annual Rental Revenue	\$	4,120,383	\$	4,161,587	\$	4,203,203	\$	4,245,235
Projected Total Revenue with 93% Occupancy Rate	\$	3,831,956	\$	3,870,276	\$	3,908,979	\$	3,948,069
Final Demand Output Multiplier ¹²		1.5697		1.5697		1.5697		1.5697
Economic Impact from Rental Revenue	\$	6,467,765	\$	6,532,443	\$	6,597,768	\$	6,663,745
Final Demand Employment Multiplier ¹³		8.4771		8.4771		8.4771		8.4771
Total Employment (Direct/Indirect)		35		35		36		36
Shelby County Annual Average Wage ⁹	\$	54,105	\$	54,105	\$	54,105	\$	54,105
Total Wages - Direct/Indirect/Induced	\$	1,893,675	\$	1,893,675	\$	1,947,780	\$	1,947,780
Sales Tax Revenue ¹⁰	\$	21,986	\$	21,986	\$	22,614	\$	22,614
Other Tax Revenue ¹¹	\$	8,091	\$	8,091	\$	8,322	\$	8,322
Residential/Commercial Property Tax Revenue ¹⁴	\$	79,616	\$	79,616	\$	81,891	\$	81,891
Total Tax Revenue	\$	109,693	\$	109,693	\$	112,827	\$	112,827

**City of Memphis, Shelby County, TN
Tennessee Brewery District Development**

Annual Impact of Operations - Residential								
	Year 9		Year 10		Year 11		Year 12	
	2025		2026		2027		2028	
Phase I Projected Rental Revenue	\$	2,836,201	\$	2,864,563	\$	2,893,209	\$	2,922,141
Phase II Projected Rental Revenue	\$	1,451,486	\$	146,600	\$	1,480,661	\$	1,495,467
Total Annual Rental Revenue	\$	4,287,687	\$	3,011,163	\$	4,373,870	\$	4,417,608
Projected Total Revenue with 93% Occupancy Rate	\$	3,987,549	\$	2,800,382	\$	4,067,699	\$	4,108,375
Final Demand Output Multiplier ¹²		1.5697		1.5697		1.5697		1.5697
Economic Impact from Rental Revenue	\$	6,730,382	\$	4,726,623	\$	6,865,664	\$	6,934,319
Final Demand Employment Multiplier ¹³		8.4771		8.4771		8.4771		8.4771
Total Employment (Direct/Indirect)		36		26		37		37
Shelby County Annual Average Wage ⁹	\$	54,105	\$	54,105	\$	54,105	\$	54,105
Total Wages - Direct/Indirect/Induced	\$	1,947,780	\$	1,406,730	\$	2,001,885	\$	2,001,885
Sales Tax Revenue ¹⁰	\$	22,614	\$	16,332	\$	23,242	\$	23,242
Other Tax Revenue ¹¹	\$	8,322	\$	6,010	\$	8,553	\$	8,553
Residential/Commercial Property Tax Revenue ¹⁴	\$	81,891	\$	59,143	\$	84,165	\$	84,165
Total Tax Revenue	\$	112,827	\$	81,485	\$	115,960	\$	115,960

**City of Memphis, Shelby County, TN
Tennessee Brewery District Development**

Annual Impact of Operations - Residential								
	Year 13		Year 14		Year 15		Year 16	
	2029		2030		2031		2032	
Phase I Projected Rental Revenue	\$	2,951,362	\$	2,980,876	\$	3,010,685	\$	3,040,791
Phase II Projected Rental Revenue	\$	1,510,422	\$	1,525,526	\$	1,540,782	\$	1,556,189
Total Annual Rental Revenue	\$	4,461,784	\$	4,506,402	\$	4,551,467	\$	4,596,980
Projected Total Revenue with 93% Occupancy Rate	\$	4,149,459	\$	4,190,954	\$	4,232,864	\$	4,275,191
Final Demand Output Multiplier ¹²		1.5697		1.5697		1.5697		1.5697
Economic Impact from Rental Revenue	\$	7,003,662	\$	7,073,699	\$	7,144,438	\$	7,215,880
Final Demand Employment Multiplier ¹³		8.4771		8.4771		8.4771		8.4771
Total Employment (Direct/Indirect)		38		38		39		39
Shelby County Annual Average Wage ⁹	\$	54,105	\$	54,105	\$	54,105	\$	54,105
Total Wages - Direct/Indirect/Induced	\$	2,055,990	\$	2,055,990	\$	2,110,095	\$	2,110,095
Sales Tax Revenue ¹⁰	\$	23,870	\$	23,870	\$	24,498	\$	24,498
Other Tax Revenue ¹¹	\$	8,784	\$	8,784	\$	9,015	\$	9,015
Residential/Commercial Property Tax Revenue ¹⁴	\$	86,440	\$	86,440	\$	88,715	\$	88,715
Total Tax Revenue	\$	119,094	\$	119,094	\$	122,228	\$	122,228

**City of Memphis, Shelby County, TN
Tennessee Brewery District Development**

Annual Impact of Operations - Residential								
	Year 17		Year 18		Year 19		Year 20	
	2033		2034		2035		2036	
Phase I Projected Rental Revenue	\$	3,071,199	\$	3,101,911	\$	3,132,931	\$	3,164,260
Phase II Projected Rental Revenue	\$	1,571,751	\$	1,587,469	\$	1,603,343	\$	1,619,377
Total Annual Rental Revenue	\$	4,642,950	\$	4,689,380	\$	4,736,274	\$	4,783,637
Projected Total Revenue with 93% Occupancy Rate	\$	4,317,944	\$	4,361,123	\$	4,404,735	\$	4,448,782
Final Demand Output Multiplier ¹²		1.5697		1.5697		1.5697		1.5697
Economic Impact from Rental Revenue	\$	7,288,039	\$	7,360,920	\$	7,434,529	\$	7,508,875
Final Demand Employment Multiplier ¹³		8.4771		8.4771		8.4771		8.4771
Total Employment (Direct/Indirect)		39		40		40		41
Shelby County Annual Average Wage ⁹	\$	54,105	\$	54,105	\$	54,105	\$	54,105
Total Wages - Direct/Indirect/Induced	\$	2,110,095	\$	2,164,200	\$	2,164,200	\$	2,218,305
Sales Tax Revenue ¹⁰	\$	24,498	\$	25,126	\$	25,126	\$	25,755
Other Tax Revenue ¹¹	\$	9,015	\$	9,246	\$	9,246	\$	9,478
Residential/Commercial Property Tax Revenue ¹⁴	\$	88,715	\$	90,990	\$	90,990	\$	93,264
Total Tax Revenue	\$	122,228	\$	125,362	\$	125,362	\$	128,497

**City of Memphis, Shelby County, TN
Tennessee Brewery District Development**

Annual Impact of Operations - Residential

	20-Year Total
Phase I Projected Rental Revenue	\$ 55,502,539
Phase II Projected Rental Revenue	\$ 25,501,125
Total Annual Rental Revenue	\$ 81,003,664
Projected Total Revenue with 93% Occupancy Rate	\$ 75,333,407
Final Demand Output Multiplier ¹²	
Economic Impact from Rental Revenue	\$ 127,151,451
Final Demand Employment Multiplier ¹³	
Total Employment (Direct/Indirect)	41
Shelby County Annual Average Wage ⁹	
Total Wages - Direct/Indirect/Induced	\$ 37,224,240
Sales Tax Revenue ¹⁰	\$ 432,175
Other Tax Revenue ¹¹	\$ 159,039
Residential/Commercial Property Tax Revenue ¹⁴	\$ 1,565,022
Total Tax Revenue	\$ 2,156,236

**City of Memphis, Shelby County, TN
Tennessee Brewery District Development
Economic Impact Analysis**

Annual Impact of Operations - Commercial Space

	<u>Phase I</u>	<u>Phase II</u>	<u>Total</u>	<u>20-Year Total</u>
Total Commercial Square Footage for Lease	13,500	1,200	14,700	
Average Sales per Square Foot*	\$ 250	\$ 250		
Total Annual Revenue	\$ 3,375,000	\$ 300,000	\$ 3,675,000	\$ 73,500,000
Final Demand Output Multiplier ¹⁵	1.8151	1.8151		
Total Economic Impact from Rental Revenue	\$ 6,125,963	\$ 544,530	\$ 6,670,493	\$ 133,409,860
Final Demand Employment Multiplier ¹⁶	16.2225	16.2225		
Total Employment - Direct/Indirect	99	9	108	108
Shelby County Annual Average Wage ¹⁷	\$ 36,084	\$ 36,084		
Total Wages - Direct/Indirect/Induced	\$ 3,572,316	\$ 324,756	\$ 3,897,072	\$ 77,941,440
Sales Tax Revenue from Retail Sales ¹⁸	\$ 75,938	\$ 6,750	\$ 82,688	\$ 1,653,760
Sales Tax Revenue from Wages ¹⁰	\$ 41,475	\$ 3,683	\$ 45,158	\$ 903,160
Other Tax Revenue ¹¹	\$ 43,208	\$ 3,245	\$ 46,453	\$ 929,060
Residential/Commercial Property Tax Revenue ¹⁴	\$ 225,199	\$ 21,479	\$ 246,678	\$ 4,933,560
Total Tax Revenue	\$ 385,820	\$ 35,157	\$ 420,977	\$ 8,419,540

*Assumption based on industry standard of recent projects

**City of Memphis, Shelby County, TN
Tennessee Brewery District Development
Economic Impact Analysis**

Annual Impact of Operations - Parking Garage

	<u>Annual Impact</u>	<u>20-Year Total</u>
Total Parking Spaces	339	
Average Occupancy Rate*	80%	
Annual Parking Space Rentals (365 days)	98,988	
Average Rental per Parking Space*	\$ 5	
Annual Parking Garage Rental Revenue	\$ 494,940	\$ 9,898,800
Final Demand Output Multiplier ¹⁹	1.8649	
Total Economic Impact from Rental Revenue	\$ 923,014	\$ 18,460,280
Final Demand Employment Multiplier ²⁰	9.9102	
Total Employment - Direct/Indirect	5	\$ 5
Shelby County Annual Average Wage ²¹	\$ 26,680	
Total Wages - Direct/Indirect/Induced	\$ 133,400	\$ 2,668,000
Sales Tax Revenue from Wages ¹⁰	\$ 1,549	\$ 30,980
Other Tax Revenue ¹¹	\$ 570	\$ 11,400
Residential/Commercial Property Tax Revenue ¹⁴	\$ 11,374	\$ 227,480
Total Tax Revenue	\$ 13,493	\$ 269,860

*Assumption based on industry standard

Notes for Tennessee Brewery District Development Impact Analysis

1. U.S. Bureau of Economic Analysis, RIMS II final-demand aggregate output multiplier for Shelby County, Tennessee for construction. This multiplier represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the specified industry.
2. For the purpose of this analysis, it is assumed that 40% of spending associated with capital investment expenditures will be sales taxable at the local option tax rate of \$0.0225.
3. U.S. Bureau of Economic Analysis, RIMS II aggregate final demand employment multiplier for construction for Shelby County, Tennessee. This multiplier calculates the number of indirect jobs supported per million dollars of output.
4. Based upon data from Tennessee Department of Labor; Annual Average Wage for Shelby County, 2015 for all industry types with a 1.5% inflation factor applied for 2016 and 2017.
5. U.S. Department of Labor, "Consumer Expenditure Survey, Southern US" 2015; factor applied to determine the rate of indirect or "downstream" expenditures on sales taxable goods and services at the local option tax rate of \$0.0225.
6. Based upon July 2015 - June 2016 collections of Business, Alcohol, Motor Vehicle and other local taxes compared to sales tax for Shelby County.
7. U.S. Bureau of Economic Analysis, RIMS II final-demand aggregate output multiplier for Shelby County, Tennessee for real estate management. This multiplier represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the specified industry.
8. U.S. Bureau of Economic Analysis, RIMS II final demand employment multiplier for real estate management for Shelby County, Tennessee. This multiplier calculates the number of indirect jobs supported per million dollars of output
9. Property taxes on new property value created by new jobs are based upon historical trend. This is not property tax on the direct project. The new property value may be new single family homes, new rental property, expansions or improvements to existing residential or commercial property. Although commercial property value is included, the residential rate of assessment is used as a conservative measure. The assessment rate of 25% and a combined Shelby County (\$4.37) and City of Memphis (\$3.40) tax rate of \$7.77 per \$100 of assessed value is used.
10. U.S. Bureau of Economic Analysis, RIMS II final-demand aggregate output multiplier for Shelby County, Tennessee for retail trade. This multiplier represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the specified industry.
11. U.S. Bureau of Economic Analysis, RIMS II aggregate final demand employment multiplier for retail trade for Shelby County, Tennessee. This multiplier calculates the number of indirect jobs supported per million dollars of output.

12. Based upon data from Tennessee Department of Labor; Annual Average Wage for Shelby County, 2015 for the retail trade industry with a 1.5% inflation factor applied for 2016 and 2017.
13. For the purpose of this analysis, it is assumed that sales from commercial tenants will be sales taxable at the local option tax rate of \$0.0225.
14. U.S. Bureau of Economic Analysis, RIMS II final demand output multiplier for other personal services for Shelby County, Tennessee. This multiplier represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the specified industry
15. U.S. Bureau of Economic Analysis, RIMS II final demand employment multiplier for other personal services for Shelby County, Tennessee. This multiplier calculates the number of indirect jobs supported per million dollars of output.
16. Based upon data from Tennessee Department of Labor; Annual Average Wage for Shelby County, 2015 for the personal services industry with a 1.5% inflation factor applied for 2016 and 2017.

* Constant 2017 dollars. No tax rate increases are assumed.

Appendix 3d
Architectural plans

Also, variance from 3.2.9E(2)(e) and Item 7.2.2E (2)(b) to allow a new five story mixed-use building with 148 units on Lot 24 in the South Main District, with a five foot balcony encroachment for the balconies on the 2nd, 3rd and 4th floors on the south side of Butler Avenue and the east side of Tennessee Street; and

WHEREAS, a public hearing on this application was held by the Board at its regular meeting on Wednesday, December 16, 2015 after due notice; and

WHEREAS, The Board is of the opinion, and finds from the sworn testimony of the witness at the hearing, and the records on file, that the standards for a Variance in Sub-Section 9.22.6.B of the Unified Development Code are being met; and;

WHEREAS, The Board has determined that said Variance would not be unduly detrimental to the other properties in the vicinity of the subject premises; and

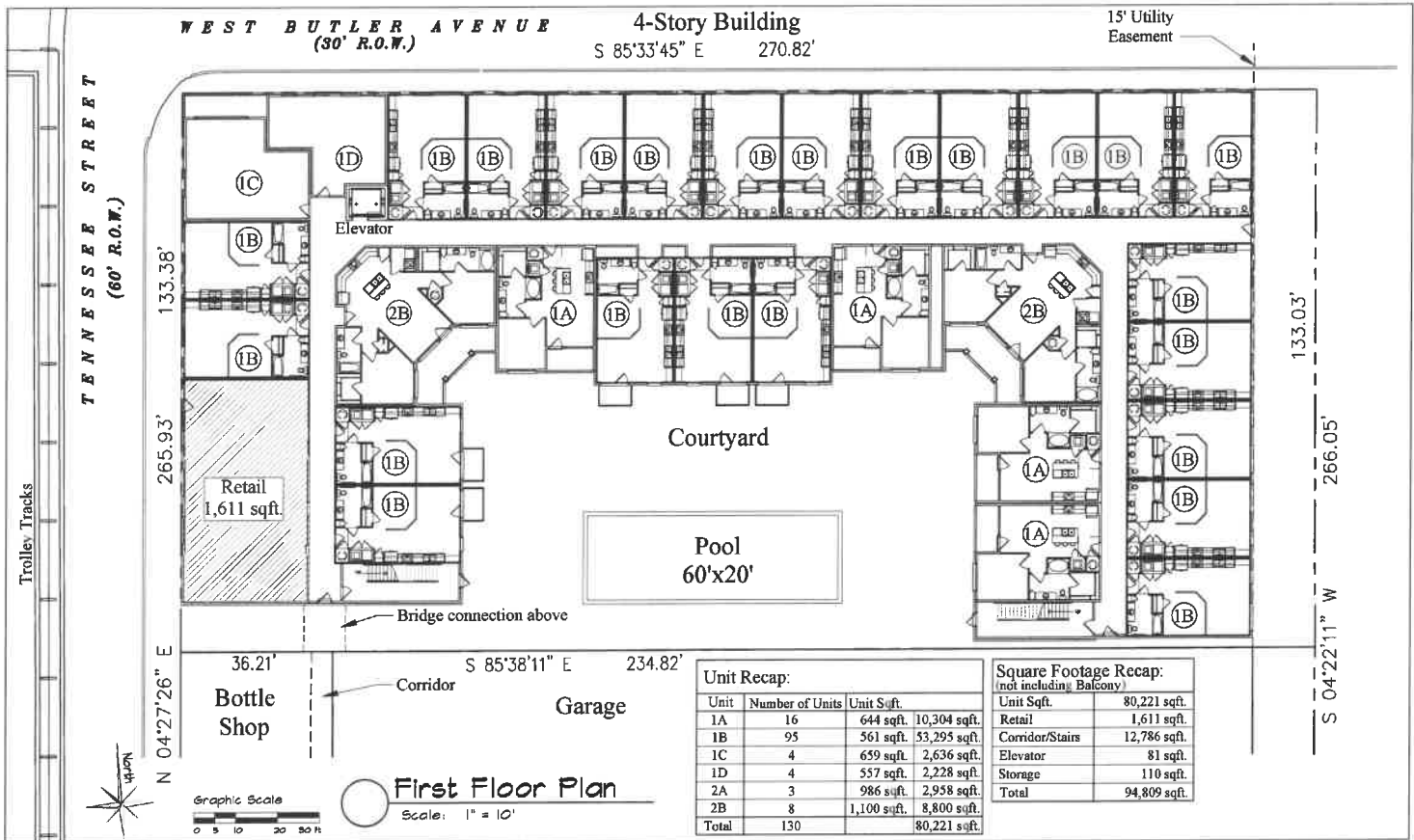
WHEREAS, The Board is further of the opinion that to allow this request will not unreasonably increase the congestion in public streets, or increase the danger of fire or endanger the public safety, or unreasonably diminish or impair established property values within the surrounding area, or in any other respect impair the public health, safety, comfort, morals or welfare of the inhabitants of the City of Memphis and County of Shelby; and, therefore, this application is approved with conditions.

NOW, THEREFORE, Be it resolved that the application be and it hereby is granted and that the decision of the Memphis and Shelby County Building Official be and hereby is overruled. Provided, however, that the Variance is granted for the specific purpose herein specified and shall not otherwise be deemed to vary or modify any of the provisions of any Zoning Ordinance, City/County Ordinance or State law applicable to these premises nor to any future use or development of said property, and provided further that a building permit and/or Certificate of Occupancy permit in conformity herewith be obtained from the Memphis and Shelby County Office of Construction Code Enforcement within two (2) years from the granting of the application.

MOTION TO APPROVE WITH (7) CONDITIONS

CONDITIONS:

1. A building permit shall not be issued until the project has been approved through the ASPR process and a memorandum of conformance (MOC) is issued for this site and plans are approved by the City Engineer's office. The City Engineer will require a full set of engineered plans, signed and sealed by a registered engineer in the State of Tennessee on this project
2. These variances are conditioned upon the site plan and building elevations submitted with this application. Any change or deviation from this plan, shall, upon the determination of



Brewery Phase II

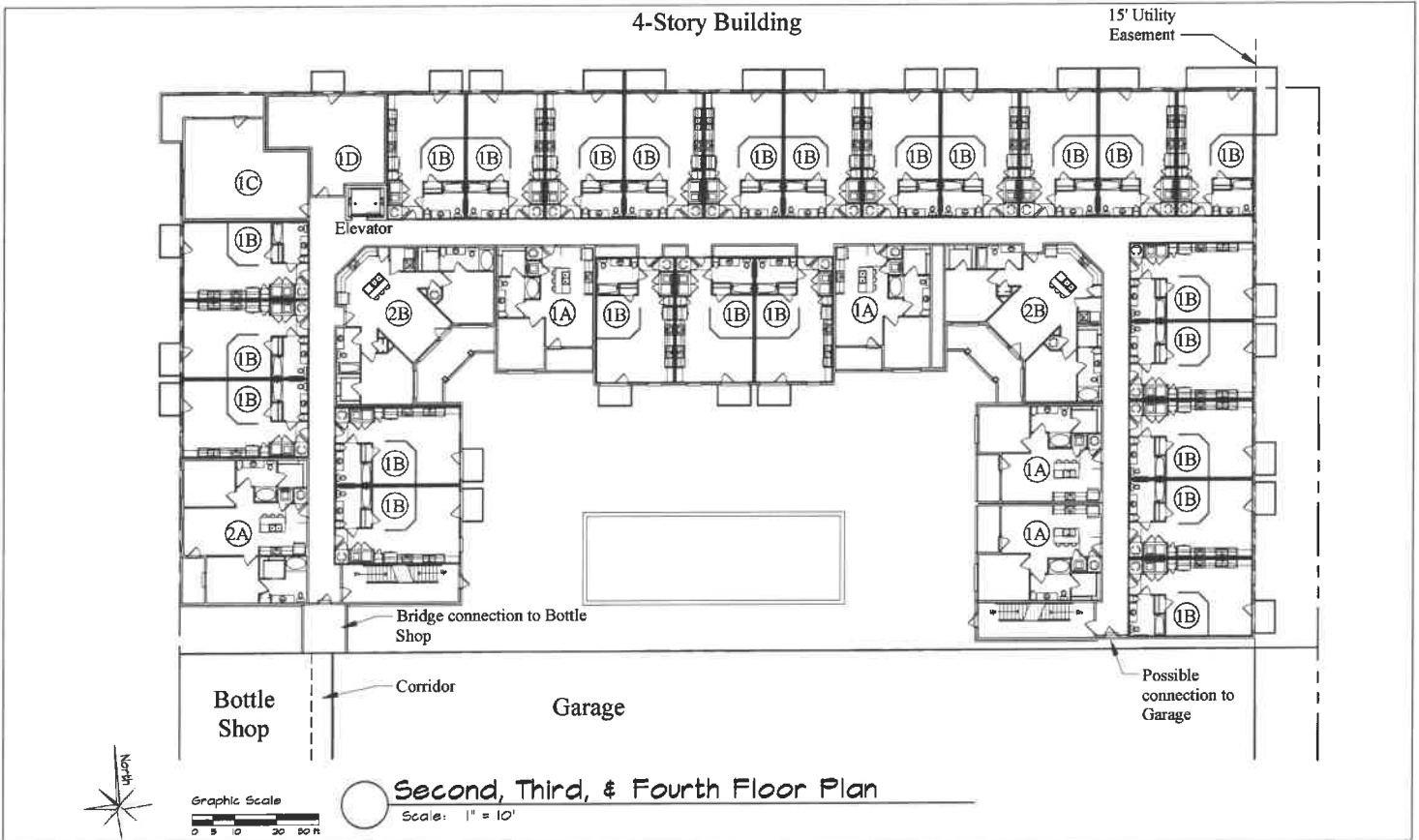
Memphis, Tennessee

1 of 5

Shapiro & Company Architects, Inc.

www.shapiroandco.com

May 11, 2017



Brewery Phase II
Memphis, Tennessee
2 of 5

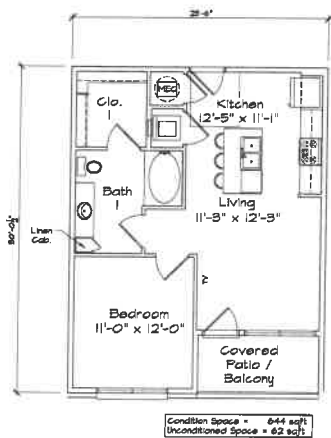
Shapiro & Company Architects, Inc.
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May 11, 2017



○ Elevation on West Butler Avenue
Scale: 1" = 10'

Brewery Phase II
Memphis, Tennessee
3 of 5

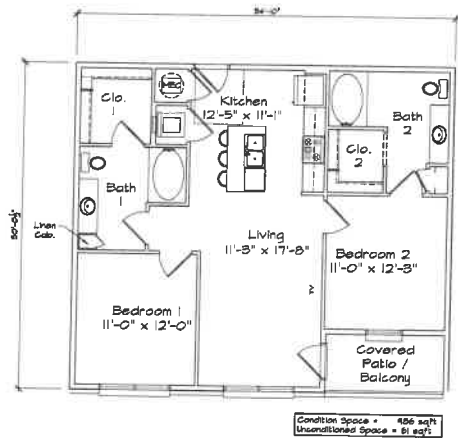
Shapiro & Company Architects, Inc.
www.shapiroandco.com
May 11, 2017



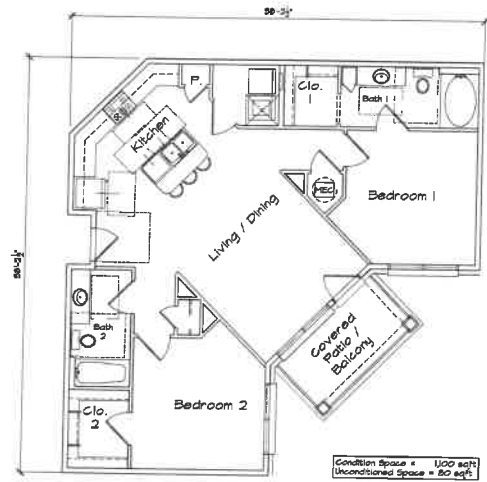
① (1A) Typical 1 Bedroom Units
Scale: $\frac{1}{4}" = 1'-0"$



② (1B) Typical 1 Bedroom Units
Scale: $\frac{1}{4}" = 1'-0"$



1 (2A) Typical 2 Bedroom Units
 Scale: 1/4" = 1'-0"



2 (2B) Typical 2 Bedroom Units
 Scale: 1/4" = 1'-0"

13(c) Bank Letter

May 4, 2017

Billy Orgel
President
Tower Ventures
4091 Viscount Avenue
Memphis, TN 38118

Re: Tennessee Brewery

Dear Billy:

I am pleased to provide you with this letter outlining terms and conditions under which Pinnacle Bank may provide financing for the Tennessee Brewery Phase II project. The maximum amount of the loan will be \$8,300,000 for the second phase of the Brewery project adding 130 residential units. This letter does not represent a commitment to lend.

Borrower: Brewery Master Tenant, LLC

Purpose: The new construction of the property adjacent to the historic Tennessee Brewery into a 130 unit apartment complex located in downtown Memphis, TN.

Loan Amount: Lesser of:
i) \$8,300,000
ii) Maximum 65% loan to appraised value
iii) Maximum 65% loan to total estimated cost

Equity: \$4,470,000

Interest Rate: Floating Rate of 3.00% over One Month LIBOR

Term: 24 months from closing

Extension Option: Borrower has the option for 1, 36 month extension option, subject to the following:
i) No event of default
ii) Project generates minimum DSCR requirement
iii) Payment of Extension Fee

Payment: Interest only for 24 months. If Extension Option is granted, there will be 36 monthly principal plus interest payments based upon a 25 year amortization.

Security: First deed of trust on the property financed, along with assignment of rents, leases, profits, contracts, plans, and drawings, all grants and equity investments receivable.

Guarantor: Billy Orgel (100%)

Fee: ¼%

Extension Fee: ¼%

DSCR: Debt service coverage shall be tested at the end of the interest only period and will require a minimum 1.20x DSCR, based upon pro forma permanent loan assumptions, in order to enter the Extension Option. Thereafter, the DSCR test will take place annually and require a minimum 1.25x DSCR based on actual debt service.

Other Covenants: Loan to value not to exceed 65%

Property Manager: Experienced property manager acceptable to Pinnacle.

Contractor: Contractor, which shall provide bonded, fixed-price guaranteed contract, acceptable to Pinnacle.

Other: Subordination of all other funding to Pinnacle of both payments and collateral rights

20 year PILOT Agreement acceptable to Pinnacle

339 Space Parking Garage located at the corner of Tennessee Street and Mena Avenue with appropriate documentation demonstrating availability for project use

All operating and reserve funds to be held by Pinnacle

All requested financial information including audited financial statements and three years tax returns

All conditions are subject to review and approval of Pinnacle. Typical closing costs including, but not limited to legal, survey, title insurance, inspection fees,, appraisal, front-end analysis report/feasibility study and environmental study will be paid by borrower.

Other requirements

1. Approval of this transaction is subject to the receipt, review and acceptance of financial information on the Borrower, Project and Guarantors. Confirmation and acceptance of final project underwriting assumptions, complete global property schedule will be submitted by Guarantors to include location, type of property, market value, loan amount, lender, maturity date, interest rate, NOI, annual debt service, and all contingent liabilities. The financial condition of each must be acceptable to the Bank at its sole and absolute discretion.
2. Borrower must show evidence of proper zoning as well as all permits needed to construct the proposed project on said site before closing.
3. Appraisal will be ordered, received, and reviewed by the Bank and paid for by the Borrower. Said appraisal shall be satisfactory to Bank.
4. Phase I Environmental Assessment may be required if the Bank's initial review of property determines a need. If ordered, the report must be acceptable to Bank and will be paid for by the Borrower.
5. Title, survey, and flood determination must be satisfactory to the Bank.
6. Borrower shall maintain insurance satisfactory to the bank naming Pinnacle Bank as Mortgagee.
7. The Borrower's primary construction and operating account(s) must be maintained at Pinnacle Bank.
8. No subordinate debt shall be placed against the property.
9. Documentation must be acceptable in all respects to the Bank and its counsel.

Thank you for this opportunity and please let me know if you have any questions or comments.

Sincerely,



Edward L. Simpson
Senior Credit Officer

Financials

TN Brewery Phase II

495 TN Partners

6/13/2017



TN Brewery Phase II SOURCE AND USES
With PILOT
6/13/2017

SOURCES OF FUNDS	OVERALL	NOTES
Project Debt	8,276,290	
Equity	4,000,000	Assumes 5.5% Interest, 30 Yr Amortization
TOTAL SOURCES OF FUNDS	<u>12,276,290</u>	
USES OF FUNDS		
Land	562,500	
Construction Costs	10,222,900	94,479 Sq Ft @ \$108.20
Soft Costs	1,150,063	Includes A&E, Developer Fee and Contingencies
PILOT Fee	184,125	1.5% of \$12.275MM
Financing Fees	111,702	Includes Construction Interest
Professional Fees	45,000	Taxes, Accounting, Legal, & Marketing
TOTAL USES OF FUNDS	<u>12,276,290</u>	
NET CASH FLOW	<u><u>0</u></u>	

The Financial Forecast is based on certain assumptions and not on performance. *

**TN Brewery Phase II SOURCE AND USES
Without PILOT
6/13/2017**

SOURCES OF FUNDS	OVERALL	NOTES
Project Debt	8,276,290	
Equity	3,815,875	Assumes 5.5% Interest, 30 Yr Amortization
 TOTAL SOURCES OF FUNDS	12,092,165	
 USES OF FUNDS		
Land	562,500	
Construction Costs	10,222,900	94,479 Sq Ft @ \$108.20
Soft Costs	1,150,063	Includes A&E, Developer Fee and Contingencies
Financing Fees	111,702	Includes Construction Interest
Professional Fees	45,000	Taxes, Accounting, Legal, & Marketing
 TOTAL USES OF FUNDS	12,092,165	
 NET CASH FLOW	0	

The Financial Forecast is based on certain assumptions and not on performance. *

TN Brewery Phase II PRO FORMA P&L
6/13/2017

	<u>Annual</u>	<u>Notes</u>
Leasing Revenue		
Two Bedroom Units	\$192,479	11,758 Sq Ft @ \$1.36
One Bedroom Units	\$1,120,742	68,463 Sq Ft @ \$1.36
Commercial	\$27,072	1,200 Sq Ft @ \$1.88
Vacancy Assumptions	(\$110,483)	8% Residential
Net Revenue	<u>\$1,229,810</u>	
Expenses		
Total Payroll	\$120,000	
General and Admin	\$24,000	
Marketing	\$7,500	
Utilities	\$48,880	
Insurance	\$49,140	
Management Fee	\$60,000	
Repair and Maintenance	\$52,000	
Accounting	\$6,000	
Developer Fee	\$49,100	2% Over 5 Years
Total Expenses	<u>\$416,620</u>	
Net Operating Income	<u>\$813,190</u>	
Debt Service		
Principal	\$111,489	Year One Principal
Interest	\$452,413	Year One Interest
Total Debt Service	<u>\$563,902</u>	
Property Taxes Without PILOT	\$264,751	
NET CASH FLOW WITHOUT PILOT	<u>(\$15,463)</u>	
PILOT Adjustment	\$193,280	
NET CASH FLOW WITH PILOT	<u>\$177,817</u>	

*Assumes Income and Expenses escalate annually at 1%

TN Brewery Phase II TAX ASSUMPTIONS
6/13/2017

Property Tax Analysis - PILOT (20 Years)		
Current Appraised Value	\$	184,500
Tax Rate/\$100		7.77
Annual Tax	\$	5,734
Appraised Value	\$	9,933,532
25% Assessed Value	\$	992,780
County & CBID Tax	\$	65,737
Total PILOT Tax	\$	71,471

Property Tax Analysis - Overall		
Appraised Value	\$	9,933,532
Total Tax	\$	262,130

TN Brewery Phase II PROJECTED SUMMARY OF CASH FLOWS
6/13/2017

Project Cash flow Assumptions	2019 ⁽¹⁾	2020	2021	2022	2023
Proj Gross Annual Rental Revenues	\$ 1,367,365	\$ 1,381,039	\$ 1,394,849	\$ 1,408,798	\$ 1,422,886
Less Vacancy <i>(assumes 8% apartments)</i>	\$ (109,389)	\$ (110,483)	\$ (111,588)	\$ (112,704)	\$ (113,831)
Less Operating Expenses	\$ (416,620)	\$ (420,786)	\$ (424,994)	\$ (429,244)	\$ (433,536)
Less Property Taxes	\$ (262,130)	\$ (264,751)	\$ (267,399)	\$ (270,073)	\$ (272,773)
Estimated NOI W/O PILOT:	\$ 579,226	\$ 585,019	\$ 590,869	\$ 596,778	\$ 602,745
Estimated NOI W/ PILOT:	\$ 841,356	\$ 849,770	\$ 858,267	\$ 866,850	\$ 875,519
Less Annual Debt Service	\$ (455,196)	\$ (482,373)	\$ (563,902)	\$ (563,902)	\$ (563,902)
WITHOUT PILOT					
Cash Available for Distribution	\$ 124,030	\$ 102,646	\$ 26,966	\$ 32,875	\$ 38,843
DSC Ratio	1.03	1.04	1.05	1.06	1.07
Cash flow Return on Equity	3.25%	2.69%	0.71%	0.86%	1.02%
WITH PILOT					
Cash Available for Distribution	\$ 386,160	\$ 367,397	\$ 294,365	\$ 302,948	\$ 311,616
DSC Ratio	1.37	1.38	1.40	1.41	1.43
Cash flow Return on Equity	7.87%	7.40%	5.57%	5.79%	6.00%

1) Operational January 1, 2019

Project Cash flow Assumptions	2024	2025	2026	2027	2028
Proj Gross Annual Rental Revenues	\$ 1,437,115	\$ 1,451,486	\$ 1,466,001	\$ 1,480,661	\$ 1,495,467
Less Vacancy <i>(assumes 8% apartments)</i>	\$ (114,969)	\$ (116,119)	\$ (117,280)	\$ (118,453)	\$ (119,637)
Less Operating Expenses	\$ (437,872)	\$ (442,251)	\$ (446,673)	\$ (451,140)	\$ (455,651)
Less Property Taxes	\$ (275,501)	\$ (278,256)	\$ (281,039)	\$ (283,849)	\$ (286,687)
Estimated NOI W/O PILOT:	\$ 608,773	\$ 614,860	\$ 621,009	\$ 627,219	\$ 633,491
Estimated NOI W/ PILOT:	\$ 884,274	\$ 893,116	\$ 902,048	\$ 911,068	\$ 920,179
Less Annual Debt Service	\$ (563,902)	\$ (563,902)	\$ (563,902)	\$ (563,902)	\$ (563,902)
WITHOUT PILOT					
Cash Available for Distribution	\$ 44,870	\$ 50,958	\$ 57,107	\$ 63,317	\$ 69,589
DSC Ratio	1.08	1.09	1.10	1.11	1.12
Cash flow Return on Equity	1.18%	1.34%	1.50%	1.66%	1.82%
WITH PILOT					
Cash Available for Distribution	\$ 320,371	\$ 329,214	\$ 338,145	\$ 347,166	\$ 356,276
DSC Ratio	1.44	1.46	1.47	1.49	1.51
Cash flow Return on Equity	6.22%	6.44%	6.67%	6.89%	7.12%

Project Cash flow Assumptions	2029	2030	2031	2032	2033
Proj Gross Annual Rental Revenues	\$ 1,510,422	\$ 1,525,526	\$ 1,540,782	\$ 1,556,189	\$ 1,571,751
Less Vacancy <i>(assumes 8% apartments)</i>	\$ (120,834)	\$ (122,042)	\$ (123,263)	\$ (124,495)	\$ (125,740)
Less Operating Expenses	\$ (460,208)	\$ (464,810)	\$ (469,458)	\$ (474,152)	\$ (478,894)
Less Property Taxes	\$ (289,554)	\$ (292,450)	\$ (295,374)	\$ (298,328)	\$ (301,311)
Estimated NOI W/O PILOT:	\$ 639,826	\$ 646,225	\$ 652,687	\$ 659,214	\$ 665,806
Estimated NOI W/ PILOT:	\$ 929,381	\$ 938,674	\$ 948,061	\$ 957,542	\$ 967,117
Less Annual Debt Service	\$ (563,902)	\$ (563,902)	\$ (563,902)	\$ (563,902)	\$ (563,902)
WITHOUT PILOT					
Cash Available for Distribution	\$ 75,924	\$ 82,322	\$ 88,784	\$ 95,311	\$ 101,903
DSC Ratio	1.13	1.15	1.16	1.17	1.18
Cash flow Return on Equity	1.99%	2.16%	2.33%	2.50%	2.67%
WITH PILOT					
Cash Available for Distribution	\$ 365,478	\$ 374,772	\$ 384,159	\$ 393,639	\$ 403,215
DSC Ratio	1.52	1.54	1.55	1.57	1.59
Cash flow Return on Equity	7.35%	7.58%	7.82%	8.05%	8.29%

TN Brewery Phase II PROJECTED SUMMARY OF CASH FLOWS
6/13/2017

Project Cash flow Assumptions	2034	2035	2036	2037	2038
Proj Gross Annual Rental Revenues	\$ 1,587,469	\$ 1,603,343	\$ 1,619,377	\$ 1,635,571	\$ 1,651,926
Less Vacancy (<i>assumes 8% apartments</i>)	\$ (126,997)	\$ (128,267)	\$ (129,550)	\$ (130,846)	\$ (132,154)
Less Operating Expenses	\$ (483,683)	\$ (488,520)	\$ (493,405)	\$ (498,339)	\$ (503,322)
Less Property Taxes	\$ (304,325)	\$ (307,368)	\$ (310,441)	\$ (313,546)	\$ (316,681)
Estimated NOI W/O PILOT:	\$ 672,464	\$ 679,188	\$ 685,980	\$ 692,840	\$ 699,769
Estimated NOI W/ PILOT:	\$ 976,788	\$ 986,556	\$ 996,422	\$ 1,006,386	\$ 1,016,450
Less Annual Debt Service	\$ (563,902)	\$ (563,902)	\$ (563,902)	\$ (563,902)	\$ (563,902)
WITHOUT PILOT					
Cash Available for Distribution	\$ 108,561	\$ 115,286	\$ 122,078	\$ 128,938	\$ 135,866
DSC Ratio	1.19	1.20	1.22	1.23	1.24
Cash flow Return on Equity	2.84%	3.02%	3.20%	3.38%	3.56%
WITH PILOT					
Cash Available for Distribution	\$ 412,886	\$ 422,654	\$ 432,519	\$ 442,484	\$ 452,548
DSC Ratio	1.61	1.62	1.64	1.66	1.68
Cash flow Return on Equity	8.54%	8.78%	9.03%	9.28%	9.53%

***20 Year PILOT Ends in 2038**

Project Cash flow Assumptions	2039	2040	2041	2042	2043
Proj Gross Annual Rental Revenues	\$ 1,668,446	\$ 1,701,815	\$ 1,735,851	\$ 1,770,568	\$ 1,805,979
Less Vacancy (<i>assumes 8% apartments</i>)	\$ (133,476)	\$ (134,810)	\$ (136,159)	\$ (137,520)	\$ (138,895)
Less Operating Expenses	\$ (508,356)	\$ (513,439)	\$ (518,574)	\$ (523,759)	\$ (528,997)
Less Property Taxes	\$ (319,848)	\$ (323,047)	\$ (326,277)	\$ (329,540)	\$ (332,835)
Estimated NOI W/O PILOT:	\$ 706,766	\$ 730,518	\$ 754,842	\$ 779,749	\$ 805,252
Less Annual Debt Service	\$ (563,902)	\$ (563,902)	\$ (563,902)	\$ (563,902)	\$ (563,902)
WITHOUT PILOT					
Cash Available for Distribution	\$ 142,864	\$ 166,616	\$ 190,939	\$ 215,846	\$ 241,349
DSC Ratio	1.25	1.30	1.34	1.38	1.43
Cash flow Return on Equity	3.74%	4.37%	5.00%	5.66%	6.32%

OVERALL PROJECT -- PRO FORMA DRAFT

	2017	2018	2019	2020
PHASE I				
Proj Gross Annual Rental Revenues	\$440,896	\$2,645,376	\$2,671,830	\$2,698,548
Less Vacancy (assumes 7% apartments)	(\$30,863)	(\$137,913)	(\$139,292)	(\$140,685)
Less Operating Expenses	(\$146,603)	(\$879,619)	(\$888,415)	(\$897,299)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$22,754)	(\$136,524)	(\$136,524)	(\$136,524)
NOI	<u>\$240,676</u>	<u>\$1,491,321</u>	<u>\$1,507,599</u>	<u>\$1,524,040</u>
Less Annual Debt Service	(\$71,782)	(\$861,390)	(\$882,090)	(\$1,109,790)
Cash Available for Distribution	<u>\$168,894</u>	<u>\$629,931</u>	<u>\$625,510</u>	<u>\$414,250</u>
Cash flow Return on Equity	2.35%	8.75%	8.69%	5.75%
PHASE II With PILOT				
Proj Gross Annual Rental Revenues			\$1,367,365	\$1,381,039
Less Vacancy (assumes 8% apartments)			(\$109,389)	(\$110,483)
Less Operating Expenses			(\$416,620)	(\$420,786)
Less Historic Tax Expenses			\$0	\$0
Less Property Taxes			(\$71,471)	(\$71,471)
NOI			<u>\$769,885</u>	<u>\$778,299</u>
Less Annual Debt Service			(\$455,196)	(\$482,373)
Cash Available for Distribution			<u>\$314,689</u>	<u>\$295,926</u>
Cash flow Return on Equity			7.87%	7.40%
TOTAL PROJECT				
Proj Gross Annual Rental Revenues	\$440,896	\$2,645,376	\$4,039,195	\$4,079,587
Less Vacancy (assumes 7% apartments)	(\$30,863)	(\$137,913)	(\$248,681)	(\$251,168)
Less Operating Expenses	(\$146,603)	(\$879,619)	(\$1,305,035)	(\$1,318,085)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$22,754)	(\$136,524)	(\$207,995)	(\$207,995)
NOI	<u>\$240,676</u>	<u>\$1,491,321</u>	<u>\$2,277,484</u>	<u>\$2,302,339</u>
Less Annual Debt Service	(\$71,782)	(\$861,390)	(\$1,337,286)	(\$1,592,163)
Cash Available for Distribution	<u>\$168,894</u>	<u>\$629,931</u>	<u>\$940,199</u>	<u>\$710,176</u>
Cash flow Return on Equity	1.51%	5.62%	8.39%	6.34%

*Assumes Phase II With PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations

OVERALL PROJECT -- PRO FORMA DRAFT

	2021	2022	2023
PHASE I			
Proj Gross Annual Rental Revenues	\$2,725,534	\$2,752,789	\$2,780,317
Less Vacancy (assumes 7% apartments)	(\$142,092)	(\$143,513)	(\$144,948)
Less Operating Expenses	(\$906,272)	(\$915,335)	(\$924,488)
Less Historic Tax Expenses	\$0	(\$359,318)	\$0
Less Property Taxes	(\$136,524)	(\$136,524)	(\$136,524)
NOI	\$1,540,646	\$1,198,100	\$1,574,357
Less Annual Debt Service	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)
Cash Available for Distribution	\$430,856	\$88,310	\$464,567
Cash flow Return on Equity	5.98%	1.23%	6.45%
PHASE II With PILOT			
Proj Gross Annual Rental Revenues	\$1,394,849	\$1,408,798	\$1,422,886
Less Vacancy (assumes 8% apartments)	(\$111,588)	(\$112,704)	(\$113,831)
Less Operating Expenses	(\$424,994)	(\$429,244)	(\$433,536)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$71,471)	(\$71,471)	(\$71,471)
NOI	\$786,796	\$795,379	\$804,047
Less Annual Debt Service	(\$563,902)	(\$563,902)	(\$563,902)
Cash Available for Distribution	\$222,894	\$231,477	\$240,145
Cash flow Return on Equity	5.57%	5.79%	6.00%
TOTAL PROJECT			
Proj Gross Annual Rental Revenues	\$4,120,383	\$4,161,587	\$4,203,203
Less Vacancy (assumes 7% apartments)	(\$253,680)	(\$256,217)	(\$258,779)
Less Operating Expenses	(\$1,331,266)	(\$1,344,579)	(\$1,358,025)
Less Historic Tax Expenses	\$0	(\$359,318)	\$0
Less Property Taxes	(\$207,995)	(\$207,995)	(\$207,995)
NOI	\$2,327,442	\$1,993,479	\$2,378,404
Less Annual Debt Service	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)
Cash Available for Distribution	\$653,750	\$319,786	\$704,712
Cash flow Return on Equity	5.84%	2.86%	6.29%

*Assumes Phase II With PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations

OVERALL PROJECT -- PRO FORMA DRAFT

	2024	2025	2026	2027
PHASE I				
Proj Gross Annual Rental Revenues	\$2,808,120	\$2,836,201	\$2,864,563	\$2,893,209
Less Vacancy (assumes 7% apartments)	(\$146,397)	(\$147,861)	(\$149,340)	(\$150,833)
Less Operating Expenses	(\$933,733)	(\$943,070)	(\$952,501)	(\$962,026)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$136,524)	(\$136,524)	(\$136,524)	(\$136,524)
NOI	\$1,591,466	\$1,608,746	\$1,626,199	\$1,643,826
Less Annual Debt Service	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)
Cash Available for Distribution	\$481,676	\$498,956	\$516,408	\$534,036
Cash flow Return on Equity	6.69%	6.93%	7.17%	7.42%
PHASE II With PILOT				
Proj Gross Annual Rental Revenues	\$1,437,115	\$1,451,486	\$1,466,001	\$1,480,661
Less Vacancy (assumes 8% apartments)	(\$114,969)	(\$116,119)	(\$117,280)	(\$118,453)
Less Operating Expenses	(\$437,872)	(\$442,251)	(\$446,673)	(\$451,140)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$71,471)	(\$71,471)	(\$71,471)	(\$71,471)
NOI	\$812,803	\$821,645	\$830,576	\$839,597
Less Annual Debt Service	(\$563,902)	(\$563,902)	(\$563,902)	(\$563,902)
Cash Available for Distribution	\$248,900	\$257,743	\$266,674	\$275,695
Cash flow Return on Equity	6.22%	6.44%	6.67%	6.89%
TOTAL PROJECT				
Proj Gross Annual Rental Revenues	\$4,245,235	\$4,287,687	\$4,330,564	\$4,373,870
Less Vacancy (assumes 7% apartments)	(\$261,366)	(\$263,980)	(\$266,620)	(\$269,286)
Less Operating Expenses	(\$1,371,605)	(\$1,385,321)	(\$1,399,174)	(\$1,413,166)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$207,995)	(\$207,995)	(\$207,995)	(\$207,995)
NOI	\$2,404,268	\$2,430,391	\$2,456,775	\$2,483,423
Less Annual Debt Service	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)
Cash Available for Distribution	\$730,576	\$756,699	\$783,083	\$809,730
Cash flow Return on Equity	6.52%	6.76%	6.99%	7.23%

*Assumes Phase II With PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations

OVERALL PROJECT -- PRO FORMA DRAFT

	2028	2029	2030
PHASE I			
Proj Gross Annual Rental Revenues	\$2,922,141	\$2,951,362	\$2,980,876
Less Vacancy (assumes 7% apartments)	(\$152,342)	(\$153,865)	(\$155,404)
Less Operating Expenses	(\$971,646)	(\$981,363)	(\$991,176)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$136,524)	(\$136,524)	(\$136,524)
NOI	\$1,661,629	\$1,679,611	\$1,697,772
Less Annual Debt Service	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)
Cash Available for Distribution	\$551,839	\$569,821	\$587,982
Cash flow Return on Equity	7.66%	7.91%	8.17%
PHASE II With PILOT			
Proj Gross Annual Rental Revenues	\$1,495,467	\$1,510,422	\$1,525,526
Less Vacancy (assumes 8% apartments)	(\$119,637)	(\$120,834)	(\$122,042)
Less Operating Expenses	(\$455,651)	(\$460,208)	(\$464,810)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$71,471)	(\$71,471)	(\$71,471)
NOI	\$848,708	\$857,909	\$867,203
Less Annual Debt Service	(\$563,902)	(\$563,902)	(\$563,902)
Cash Available for Distribution	\$284,805	\$294,007	\$303,301
Cash flow Return on Equity	7.12%	7.35%	7.58%
TOTAL PROJECT			
Proj Gross Annual Rental Revenues	\$4,417,608	\$4,461,784	\$4,506,402
Less Vacancy (assumes 7% apartments)	(\$271,979)	(\$274,699)	(\$277,446)
Less Operating Expenses	(\$1,427,297)	(\$1,441,570)	(\$1,455,986)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$207,995)	(\$207,995)	(\$207,995)
NOI	\$2,510,337	\$2,537,520	\$2,564,975
Less Annual Debt Service	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)
Cash Available for Distribution	\$836,644	\$863,828	\$891,283
Cash flow Return on Equity	7.47%	7.71%	7.96%

*Assumes Phase II With PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations

OVERALL PROJECT -- PRO FORMA DRAFT

	2031	2032	2033	2034
PHASE I				
Proj Gross Annual Rental Revenues	\$3,010,685	\$3,040,791	\$3,071,199	\$3,101,911
Less Vacancy (assumes 7% apartments)	(\$156,958)	(\$158,527)	(\$160,113)	(\$161,714)
Less Operating Expenses	(\$1,001,088)	(\$1,011,099)	(\$1,021,210)	(\$1,031,422)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$136,524)	(\$136,524)	(\$136,524)	(\$136,524)
NOI	\$1,716,115	\$1,734,641	\$1,753,353	\$1,772,252
Less Annual Debt Service	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)
Cash Available for Distribution	\$606,325	\$624,851	\$643,563	\$662,462
Cash flow Return on Equity	8.42%	8.68%	8.94%	9.20%
PHASE II With PILOT				
Proj Gross Annual Rental Revenues	\$1,540,782	\$1,556,189	\$1,571,751	\$1,587,469
Less Vacancy (assumes 8% apartments)	(\$123,263)	(\$124,495)	(\$125,740)	(\$126,997)
Less Operating Expenses	(\$469,458)	(\$474,152)	(\$478,894)	(\$483,683)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$71,471)	(\$71,471)	(\$71,471)	(\$71,471)
NOI	\$876,590	\$886,071	\$895,646	\$905,317
Less Annual Debt Service	(\$563,902)	(\$563,902)	(\$563,902)	(\$563,902)
Cash Available for Distribution	\$312,688	\$322,168	\$331,744	\$341,415
Cash flow Return on Equity	7.82%	8.05%	8.29%	8.54%
TOTAL PROJECT				
Proj Gross Annual Rental Revenues	\$4,551,466	\$4,596,981	\$4,642,951	\$4,689,380
Less Vacancy (assumes 7% apartments)	(\$280,220)	(\$283,022)	(\$285,853)	(\$288,711)
Less Operating Expenses	(\$1,470,546)	(\$1,485,251)	(\$1,500,104)	(\$1,515,105)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$207,995)	(\$207,995)	(\$207,995)	(\$207,995)
NOI	\$2,592,705	\$2,620,712	\$2,648,999	\$2,677,569
Less Annual Debt Service	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)
Cash Available for Distribution	\$919,013	\$947,020	\$975,307	\$1,003,877
Cash flow Return on Equity	8.21%	8.46%	8.71%	8.96%

*Assumes Phase II With PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations

OVERALL PROJECT -- PRO FORMA DRAFT

	2035	2036	2037
PHASE I			
Proj Gross Annual Rental Revenues	\$3,132,931	\$3,164,260	\$3,195,902
Less Vacancy (assumes 7% apartments)	(\$163,331)	(\$164,964)	(\$166,614)
Less Operating Expenses	(\$1,041,736)	(\$1,052,154)	(\$1,062,675)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$136,524)	(\$136,524)	(\$136,524)
NOI	\$1,791,340	\$1,810,618	\$1,830,090
Less Annual Debt Service	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)
Cash Available for Distribution	\$681,550	\$700,828	\$720,300
Cash flow Return on Equity	9.47%	9.73%	10.00%
PHASE II With PILOT			
Proj Gross Annual Rental Revenues	\$1,603,343	\$1,619,377	\$1,635,571
Less Vacancy (assumes 8% apartments)	(\$128,267)	(\$129,550)	(\$130,846)
Less Operating Expenses	(\$488,520)	(\$493,405)	(\$498,339)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$71,471)	(\$71,471)	(\$71,471)
NOI	\$915,085	\$924,951	\$934,915
Less Annual Debt Service	(\$563,902)	(\$563,902)	(\$563,902)
Cash Available for Distribution	\$351,183	\$361,048	\$371,012
Cash flow Return on Equity	8.78%	9.03%	9.28%
TOTAL PROJECT			
Proj Gross Annual Rental Revenues	\$4,736,274	\$4,783,637	\$4,831,473
Less Vacancy (assumes 7% apartments)	(\$291,598)	(\$294,514)	(\$297,459)
Less Operating Expenses	(\$1,530,256)	(\$1,545,559)	(\$1,561,014)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$207,995)	(\$207,995)	(\$207,995)
NOI	\$2,706,425	\$2,735,569	\$2,765,005
Less Annual Debt Service	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)
Cash Available for Distribution	\$1,032,732	\$1,061,876	\$1,091,312
Cash flow Return on Equity	9.22%	9.48%	9.74%

*Assumes Phase II With PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations

OVERALL PROJECT -- PRO FORMA DRAFT

	2038	2039	2040	2041
PHASE I				
Proj Gross Annual Rental Revenues	\$3,227,861	\$3,260,140	\$3,292,741	\$3,325,669
Less Vacancy (assumes 7% apartments)	(\$168,280)	(\$169,963)	(\$171,662)	(\$173,379)
Less Operating Expenses	(\$1,073,302)	(\$1,084,035)	(\$1,094,875)	(\$1,105,824)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$601,532)	(\$607,547)	(\$613,622)	(\$619,759)
NOI	\$1,384,748	\$1,398,595	\$1,412,581	\$1,426,707
Less Annual Debt Service	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)
Cash Available for Distribution	\$274,958	\$288,805	\$302,791	\$316,917
Cash flow Return on Equity	3.82%	4.01%	4.21%	4.40%
PHASE II With PILOT				
Proj Gross Annual Rental Revenues	\$1,651,926	\$1,668,446	\$1,701,815	\$1,735,851
Less Vacancy (assumes 8% apartments)	(\$132,154)	(\$133,476)	(\$134,810)	(\$136,159)
Less Operating Expenses	(\$503,322)	(\$508,356)	(\$513,439)	(\$518,574)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$71,471)	(\$319,848)	(\$323,047)	(\$326,277)
NOI	\$944,979	\$706,766	\$730,518	\$754,842
Less Annual Debt Service	(\$563,902)	(\$563,902)	(\$563,902)	(\$563,902)
Cash Available for Distribution	\$381,076	\$142,864	\$166,616	\$190,939
Cash flow Return on Equity	9.53%	3.57%	4.17%	4.77%
TOTAL PROJECT				
Proj Gross Annual Rental Revenues	\$4,879,788	\$4,928,586	\$4,994,556	\$5,061,520
Less Vacancy (assumes 7% apartments)	(\$300,434)	(\$303,438)	(\$306,473)	(\$309,537)
Less Operating Expenses	(\$1,576,624)	(\$1,592,391)	(\$1,608,314)	(\$1,624,398)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$673,003)	(\$927,395)	(\$936,669)	(\$946,036)
NOI	\$2,329,727	\$2,105,362	\$2,143,100	\$2,181,549
Less Annual Debt Service	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)
Cash Available for Distribution	\$656,034	\$431,669	\$469,407	\$507,856
Cash flow Return on Equity	5.86%	3.85%	4.19%	4.53%

*Assumes Phase II With PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations

OVERALL PROJECT -- PRO FORMA DRAFT

	2042	2043	2044
PHASE I			
Proj Gross Annual Rental Revenues	\$3,358,926	\$3,392,515	\$3,426,440
Less Vacancy (assumes 7% apartments)	(\$175,113)	(\$176,864)	(\$178,633)
Less Operating Expenses	(\$1,116,882)	(\$1,128,051)	(\$1,139,332)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$625,956)	(\$632,216)	(\$638,538)
NOI	\$1,440,974	\$1,455,384	\$1,469,938
Less Annual Debt Service	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)
Cash Available for Distribution	\$331,184	\$345,594	\$360,148
Cash flow Return on Equity	4.60%	4.80%	5.00%
PHASE II With PILOT			
Proj Gross Annual Rental Revenues	\$1,770,568	\$1,805,979	\$1,842,099
Less Vacancy (assumes 8% apartments)	(\$137,520)	(\$138,895)	(\$140,284)
Less Operating Expenses	(\$523,759)	(\$528,997)	(\$534,287)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$329,540)	(\$332,835)	(\$336,164)
NOI	\$779,749	\$805,252	\$831,364
Less Annual Debt Service	(\$563,902)	(\$563,902)	(\$563,902)
Cash Available for Distribution	\$215,846	\$241,349	\$267,462
Cash flow Return on Equity	5.40%	6.03%	6.69%
TOTAL PROJECT			
Proj Gross Annual Rental Revenues	\$5,129,493	\$5,198,494	\$5,268,539
Less Vacancy (assumes 7% apartments)	(\$312,633)	(\$315,759)	(\$318,917)
Less Operating Expenses	(\$1,640,642)	(\$1,657,048)	(\$1,673,619)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$955,496)	(\$965,051)	(\$974,702)
NOI	\$2,220,723	\$2,260,636	\$2,301,302
Less Annual Debt Service	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)
Cash Available for Distribution	\$547,030	\$586,943	\$627,610
Cash flow Return on Equity	4.88%	5.24%	5.60%

*Assumes Phase II With PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations

OVERALL PROJECT -- PRO FORMA DRAFT

PHASE I

	2045	2046
Proj Gross Annual Rental Revenues	\$3,460,704	\$3,495,311
Less Vacancy (assumes 7% apartments)	(\$180,419)	(\$182,223)
Less Operating Expenses	(\$1,150,725)	(\$1,162,232)
Less Historic Tax Expenses	\$0	\$0
Less Property Taxes	(\$644,923)	(\$651,373)
NOI	\$1,484,637	\$1,499,484
Less Annual Debt Service	(\$1,109,790)	(\$1,109,790)
Cash Available for Distribution	\$374,847	\$389,694
Cash flow Return on Equity	5.21%	5.41%

PHASE II With PILOT

Proj Gross Annual Rental Revenues	\$1,878,941	\$1,916,520
Less Vacancy (assumes 8% apartments)	(\$141,687)	(\$143,104)
Less Operating Expenses	(\$539,630)	(\$545,026)
Less Historic Tax Expenses	\$0	\$0
Less Property Taxes	(\$339,525)	(\$342,920)
NOI	\$858,099	\$885,469
Less Annual Debt Service	(\$563,902)	(\$563,902)
Cash Available for Distribution	\$294,196	\$321,567
Cash flow Return on Equity	7.35%	8.04%

TOTAL PROJECT

Proj Gross Annual Rental Revenues	\$5,339,645	\$5,411,831
Less Vacancy (assumes 7% apartments)	(\$322,106)	(\$325,327)
Less Operating Expenses	(\$1,690,355)	(\$1,707,258)
Less Historic Tax Expenses	\$0	\$0
Less Property Taxes	(\$984,449)	(\$994,293)
NOI	\$2,342,736	\$2,384,953
Less Annual Debt Service	(\$1,673,692)	(\$1,673,692)
Cash Available for Distribution	\$669,044	\$711,260
Cash flow Return on Equity	5.97%	6.35%

*Assumes Phase II With PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations

OVERALL PROJECT -- PRO FORMA DRAFT

PHASE I

	2017	2018	2019	2020
Proj Gross Annual Rental Revenues	\$440,896	\$2,645,376	\$2,671,830	\$2,698,548
Less Vacancy (assumes 7% apartments)	(\$30,863)	(\$137,913)	(\$139,292)	(\$140,685)
Less Operating Expenses	(\$146,603)	(\$879,619)	(\$888,415)	(\$897,299)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$22,754)	(\$136,524)	(\$136,524)	(\$136,524)
NOI	\$240,676	\$1,491,321	\$1,507,599	\$1,524,040
Less Annual Debt Service	(\$71,782)	(\$861,390)	(\$882,090)	(\$1,109,790)
Cash Available for Distribution	\$168,894	\$629,931	\$625,510	\$414,250
Cash flow Return on Equity	2.35%	8.75%	8.69%	5.75%

PHASE II Without PILOT

Proj Gross Annual Rental Revenues			\$1,367,365	\$1,381,039
Less Vacancy (assumes 8% apartments)			(\$109,389)	(\$110,483)
Less Operating Expenses			(\$416,620)	(\$420,786)
Less Historic Tax Expenses			\$0	\$0
Less Property Taxes			(\$262,130)	(\$264,751)
NOI			\$579,226	\$585,019
Less Annual Debt Service			(\$455,196)	(\$482,373)
Cash Available for Distribution			\$124,030	\$102,646
Cash flow Return on Equity			3.25%	2.69%

TOTAL PROJECT

Proj Gross Annual Rental Revenues	\$440,896	\$2,645,376	\$4,039,195	\$4,079,587
Less Vacancy (assumes 7% apartments)	(\$30,863)	(\$137,913)	(\$248,681)	(\$251,168)
Less Operating Expenses	(\$146,603)	(\$879,619)	(\$1,305,035)	(\$1,318,085)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$22,754)	(\$136,524)	(\$398,653)	(\$401,275)
NOI	\$240,676	\$1,491,321	\$2,086,825	\$2,109,059
Less Annual Debt Service	(\$71,782)	(\$861,390)	(\$1,337,286)	(\$1,592,163)
Cash Available for Distribution	\$168,894	\$629,931	\$749,540	\$516,896
Cash flow Return on Equity	1.53%	5.72%	6.80%	4.69%

*Assumes Phase II Without PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations

OVERALL PROJECT -- PRO FORMA DRAFT

	2021	2022	2023
PHASE I			
Proj Gross Annual Rental Revenues	\$2,725,534	\$2,752,789	\$2,780,317
Less Vacancy (assumes 7% apartments)	(\$142,092)	(\$143,513)	(\$144,948)
Less Operating Expenses	(\$906,272)	(\$915,335)	(\$924,488)
Less Historic Tax Expenses	\$0	(\$359,318)	\$0
Less Property Taxes	(\$136,524)	(\$136,524)	(\$136,524)
NOI	<u>\$1,540,646</u>	<u>\$1,198,100</u>	<u>\$1,574,357</u>
Less Annual Debt Service	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)
Cash Available for Distribution	<u>\$430,856</u>	<u>\$88,310</u>	<u>\$464,567</u>
Cash flow Return on Equity	5.98%	1.23%	6.45%
PHASE II Without PILOT			
Proj Gross Annual Rental Revenues	\$1,394,849	\$1,408,798	\$1,422,886
Less Vacancy (assumes 8% apartments)	(\$111,588)	(\$112,704)	(\$113,831)
Less Operating Expenses	(\$424,994)	(\$429,244)	(\$433,536)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$267,399)	(\$270,073)	(\$272,773)
NOI	<u>\$590,869</u>	<u>\$596,778</u>	<u>\$602,745</u>
Less Annual Debt Service	(\$563,902)	(\$563,902)	(\$563,902)
Cash Available for Distribution	<u>\$26,966</u>	<u>\$32,875</u>	<u>\$38,843</u>
Cash flow Return on Equity	0.71%	0.86%	1.02%
TOTAL PROJECT			
Proj Gross Annual Rental Revenues	\$4,120,383	\$4,161,587	\$4,203,203
Less Vacancy (assumes 7% apartments)	(\$253,680)	(\$256,217)	(\$258,779)
Less Operating Expenses	(\$1,331,266)	(\$1,344,579)	(\$1,358,025)
Less Historic Tax Expenses	\$0	(\$359,318)	\$0
Less Property Taxes	(\$403,922)	(\$406,596)	(\$409,297)
NOI	<u>\$2,131,515</u>	<u>\$1,794,878</u>	<u>\$2,177,102</u>
Less Annual Debt Service	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)
Cash Available for Distribution	<u>\$457,822</u>	<u>\$121,185</u>	<u>\$503,410</u>
Cash flow Return on Equity	4.16%	1.10%	4.57%

*Assumes Phase II Without PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations

OVERALL PROJECT -- PRO FORMA DRAFT

PHASE I

	2024	2025	2026	2027
Proj Gross Annual Rental Revenues	\$2,808,120	\$2,836,201	\$2,864,563	\$2,893,209
Less Vacancy (assumes 7% apartments)				
Less Operating Expenses	(\$146,397)	(\$147,861)	(\$149,340)	(\$150,833)
Less Historic Tax Expenses	(\$933,733)	(\$943,070)	(\$952,501)	(\$962,026)
Less Property Taxes	\$0	\$0	\$0	\$0
NOI	(\$136,524)	(\$136,524)	(\$136,524)	(\$136,524)
	<u>\$1,591,466</u>	<u>\$1,608,746</u>	<u>\$1,626,199</u>	<u>\$1,643,826</u>
Less Annual Debt Service	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)
Cash Available for Distribution	<u>\$481,676</u>	<u>\$498,956</u>	<u>\$516,408</u>	<u>\$534,036</u>
Cash flow Return on Equity	6.69%	6.93%	7.17%	7.42%

PHASE II Without PILOT

Proj Gross Annual Rental Revenues	\$1,437,115	\$1,451,486	\$1,466,001	\$1,480,661
Less Vacancy (assumes 8% apartments)				
Less Operating Expenses	(\$114,969)	(\$116,119)	(\$117,280)	(\$118,453)
Less Historic Tax Expenses	(\$437,872)	(\$442,251)	(\$446,673)	(\$451,140)
Less Property Taxes	\$0	\$0	\$0	\$0
NOI	(\$275,501)	(\$278,256)	(\$281,039)	(\$283,849)
	<u>\$608,773</u>	<u>\$614,860</u>	<u>\$621,009</u>	<u>\$627,219</u>
Less Annual Debt Service	(\$563,902)	(\$563,902)	(\$563,902)	(\$563,902)
Cash Available for Distribution	<u>\$44,870</u>	<u>\$50,958</u>	<u>\$57,107</u>	<u>\$63,317</u>
Cash flow Return on Equity	1.18%	1.34%	1.50%	1.66%

TOTAL PROJECT

Proj Gross Annual Rental Revenues	\$4,245,235	\$4,287,687	\$4,330,564	\$4,373,870
Less Vacancy (assumes 7% apartments)				
Less Operating Expenses	(\$261,366)	(\$263,980)	(\$266,620)	(\$269,286)
Less Historic Tax Expenses	(\$1,371,605)	(\$1,385,321)	(\$1,399,174)	(\$1,413,166)
Less Property Taxes	\$0	\$0	\$0	\$0
NOI	(\$412,025)	(\$414,780)	(\$417,562)	(\$420,373)
	<u>\$2,200,239</u>	<u>\$2,223,606</u>	<u>\$2,247,208</u>	<u>\$2,271,045</u>
Less Annual Debt Service	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)
Cash Available for Distribution	<u>\$526,546</u>	<u>\$549,914</u>	<u>\$573,515</u>	<u>\$597,352</u>
Cash flow Return on Equity	4.78%	4.99%	5.21%	5.42%

*Assumes Phase II Without PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations

OVERALL PROJECT -- PRO FORMA DRAFT

	2028	2029	2030
PHASE I			
Proj Gross Annual Rental Revenues	\$2,922,141	\$2,951,362	\$2,980,876
Less Vacancy (assumes 7% apartments)	(\$152,342)	(\$153,865)	(\$155,404)
Less Operating Expenses	(\$971,646)	(\$981,363)	(\$991,176)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$136,524)	(\$136,524)	(\$136,524)
NOI	\$1,661,629	\$1,679,611	\$1,697,772
Less Annual Debt Service	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)
Cash Available for Distribution	\$551,839	\$569,821	\$587,982
Cash flow Return on Equity	7.66%	7.91%	8.17%
PHASE II Without PILOT			
Proj Gross Annual Rental Revenues	\$1,495,467	\$1,510,422	\$1,525,526
Less Vacancy (assumes 8% apartments)	(\$119,637)	(\$120,834)	(\$122,042)
Less Operating Expenses	(\$455,651)	(\$460,208)	(\$464,810)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$286,687)	(\$289,554)	(\$292,450)
NOI	\$633,491	\$639,826	\$646,225
Less Annual Debt Service	(\$563,902)	(\$563,902)	(\$563,902)
Cash Available for Distribution	\$69,589	\$75,924	\$82,322
Cash flow Return on Equity	1.82%	1.99%	2.16%
TOTAL PROJECT			
Proj Gross Annual Rental Revenues	\$4,417,608	\$4,461,784	\$4,506,402
Less Vacancy (assumes 7% apartments)	(\$271,979)	(\$274,699)	(\$277,446)
Less Operating Expenses	(\$1,427,297)	(\$1,441,570)	(\$1,455,986)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$423,211)	(\$426,078)	(\$428,974)
NOI	\$2,295,121	\$2,319,437	\$2,343,997
Less Annual Debt Service	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)
Cash Available for Distribution	\$621,428	\$645,745	\$670,304
Cash flow Return on Equity	5.64%	5.86%	6.08%

*Assumes Phase II Without PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations

OVERALL PROJECT -- PRO FORMA DRAFT

	2031	2032	2033	2034
PHASE I				
Proj Gross Annual Rental Revenues	\$3,010,685	\$3,040,791	\$3,071,199	\$3,101,911
Less Vacancy (assumes 7% apartments)	(\$156,958)	(\$158,527)	(\$160,113)	(\$161,714)
Less Operating Expenses	(\$1,001,088)	(\$1,011,099)	(\$1,021,210)	(\$1,031,422)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$136,524)	(\$136,524)	(\$136,524)	(\$136,524)
NOI	\$1,716,115	\$1,734,641	\$1,753,353	\$1,772,252
Less Annual Debt Service	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)
Cash Available for Distribution	\$606,325	\$624,851	\$643,563	\$662,462
Cash flow Return on Equity	8.42%	8.68%	8.94%	9.20%
PHASE II Without PILOT				
Proj Gross Annual Rental Revenues	\$1,540,782	\$1,556,189	\$1,571,751	\$1,587,469
Less Vacancy (assumes 8% apartments)	(\$123,263)	(\$124,495)	(\$125,740)	(\$126,997)
Less Operating Expenses	(\$469,458)	(\$474,152)	(\$478,894)	(\$483,683)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$295,374)	(\$298,328)	(\$301,311)	(\$304,325)
NOI	\$652,687	\$659,214	\$665,806	\$672,464
Less Annual Debt Service	(\$563,902)	(\$563,902)	(\$563,902)	(\$563,902)
Cash Available for Distribution	\$88,784	\$95,311	\$101,903	\$108,561
Cash flow Return on Equity	2.33%	2.50%	2.67%	2.84%
TOTAL PROJECT				
Proj Gross Annual Rental Revenues	\$4,551,466	\$4,596,981	\$4,642,951	\$4,689,380
Less Vacancy (assumes 7% apartments)	(\$280,220)	(\$283,022)	(\$285,853)	(\$288,711)
Less Operating Expenses	(\$1,470,546)	(\$1,485,251)	(\$1,500,104)	(\$1,515,105)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$431,898)	(\$434,852)	(\$437,835)	(\$440,848)
NOI	\$2,368,802	\$2,393,855	\$2,419,159	\$2,444,716
Less Annual Debt Service	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)
Cash Available for Distribution	\$695,109	\$720,163	\$745,466	\$771,023
Cash flow Return on Equity	6.31%	6.54%	6.77%	7.00%

*Assumes Phase II Without PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations

OVERALL PROJECT -- PRO FORMA DRAFT

	2035	2036	2037
PHASE I			
Proj Gross Annual Rental Revenues	\$3,132,931	\$3,164,260	\$3,195,902
Less Vacancy (assumes 7% apartments)	(\$163,331)	(\$164,964)	(\$166,614)
Less Operating Expenses	(\$1,041,736)	(\$1,052,154)	(\$1,062,675)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$136,524)	(\$136,524)	(\$136,524)
NOI	<u>\$1,791,340</u>	<u>\$1,810,618</u>	<u>\$1,830,090</u>
Less Annual Debt Service	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)
Cash Available for Distribution	<u>\$681,550</u>	<u>\$700,828</u>	<u>\$720,300</u>
Cash flow Return on Equity	9.47%	9.73%	10.00%
PHASE II Without PILOT			
Proj Gross Annual Rental Revenues	\$1,603,343	\$1,619,377	\$1,635,571
Less Vacancy (assumes 8% apartments)	(\$128,267)	(\$129,550)	(\$130,846)
Less Operating Expenses	(\$488,520)	(\$493,405)	(\$498,339)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$307,368)	(\$310,441)	(\$313,546)
NOI	<u>\$679,188</u>	<u>\$685,980</u>	<u>\$692,840</u>
Less Annual Debt Service	(\$563,902)	(\$563,902)	(\$563,902)
Cash Available for Distribution	<u>\$115,286</u>	<u>\$122,078</u>	<u>\$128,938</u>
Cash flow Return on Equity	3.02%	3.20%	3.38%
TOTAL PROJECT			
Proj Gross Annual Rental Revenues	\$4,736,274	\$4,783,637	\$4,831,473
Less Vacancy (assumes 7% apartments)	(\$291,598)	(\$294,514)	(\$297,459)
Less Operating Expenses	(\$1,530,256)	(\$1,545,559)	(\$1,561,014)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$443,891)	(\$446,965)	(\$450,070)
NOI	<u>\$2,470,528</u>	<u>\$2,496,599</u>	<u>\$2,522,930</u>
Less Annual Debt Service	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)
Cash Available for Distribution	<u>\$796,836</u>	<u>\$822,906</u>	<u>\$849,237</u>
Cash flow Return on Equity	7.23%	7.47%	7.71%

*Assumes Phase II Without PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations

OVERALL PROJECT -- PRO FORMA DRAFT

	2038	2039	2040	2041
PHASE I				
Proj Gross Annual Rental Revenues	\$3,227,861	\$3,260,140	\$3,292,741	\$3,325,669
Less Vacancy (assumes 7% apartments)	(\$168,280)	(\$169,963)	(\$171,662)	(\$173,379)
Less Operating Expenses	(\$1,073,302)	(\$1,084,035)	(\$1,094,875)	(\$1,105,824)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$601,532)	(\$607,547)	(\$613,622)	(\$619,759)
NOI	\$1,384,748	\$1,398,595	\$1,412,581	\$1,426,707
Less Annual Debt Service	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)
Cash Available for Distribution	\$274,958	\$288,805	\$302,791	\$316,917
Cash flow Return on Equity	3.82%	4.01%	4.21%	4.40%
PHASE II Without PILOT				
Proj Gross Annual Rental Revenues	\$1,651,926	\$1,668,446	\$1,701,815	\$1,735,851
Less Vacancy (assumes 8% apartments)	(\$132,154)	(\$133,476)	(\$134,810)	(\$136,159)
Less Operating Expenses	(\$503,322)	(\$508,356)	(\$513,439)	(\$518,574)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$316,681)	(\$319,848)	(\$323,047)	(\$326,277)
NOI	\$699,769	\$706,766	\$730,518	\$754,842
Less Annual Debt Service	(\$563,902)	(\$563,902)	(\$563,902)	(\$563,902)
Cash Available for Distribution	\$135,866	\$142,864	\$166,616	\$190,939
Cash flow Return on Equity	3.56%	3.74%	4.37%	5.00%
TOTAL PROJECT				
Proj Gross Annual Rental Revenues	\$4,879,788	\$4,928,586	\$4,994,556	\$5,061,520
Less Vacancy (assumes 7% apartments)	(\$300,434)	(\$303,438)	(\$306,473)	(\$309,537)
Less Operating Expenses	(\$1,576,624)	(\$1,592,391)	(\$1,608,314)	(\$1,624,398)
Less Historic Tax Expenses	\$0	\$0	\$0	\$0
Less Property Taxes	(\$918,213)	(\$927,395)	(\$936,669)	(\$946,036)
NOI	\$2,084,516	\$2,105,362	\$2,143,100	\$2,181,549
Less Annual Debt Service	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)
Cash Available for Distribution	\$410,824	\$431,669	\$469,407	\$507,856
Cash flow Return on Equity	3.73%	3.92%	4.26%	4.61%

*Assumes Phase II Without PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations

OVERALL PROJECT -- PRO FORMA DRAFT

	2042	2043	2044
PHASE I			
Proj Gross Annual Rental Revenues	\$3,358,926	\$3,392,515	\$3,426,440
Less Vacancy (assumes 7% apartments)	(\$175,113)	(\$176,864)	(\$178,633)
Less Operating Expenses	(\$1,116,882)	(\$1,128,051)	(\$1,139,332)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$625,956)	(\$632,216)	(\$638,538)
NOI	<u>\$1,440,974</u>	<u>\$1,455,384</u>	<u>\$1,469,938</u>
Less Annual Debt Service	(\$1,109,790)	(\$1,109,790)	(\$1,109,790)
Cash Available for Distribution	<u>\$331,184</u>	<u>\$345,594</u>	<u>\$360,148</u>
Cash flow Return on Equity	4.60%	4.80%	5.00%
PHASE II Without PILOT			
Proj Gross Annual Rental Revenues	\$1,770,568	\$1,805,979	\$1,842,099
Less Vacancy (assumes 8% apartments)	(\$137,520)	(\$138,895)	(\$140,284)
Less Operating Expenses	(\$523,759)	(\$528,997)	(\$534,287)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$329,540)	(\$332,835)	(\$336,164)
NOI	<u>\$779,749</u>	<u>\$805,252</u>	<u>\$831,364</u>
Less Annual Debt Service	(\$563,902)	(\$563,902)	(\$563,902)
Cash Available for Distribution	<u>\$215,846</u>	<u>\$241,349</u>	<u>\$267,462</u>
Cash flow Return on Equity	5.66%	6.32%	7.01%
TOTAL PROJECT			
Proj Gross Annual Rental Revenues	\$5,129,493	\$5,198,494	\$5,268,539
Less Vacancy (assumes 7% apartments)	(\$312,633)	(\$315,759)	(\$318,917)
Less Operating Expenses	(\$1,640,642)	(\$1,657,048)	(\$1,673,619)
Less Historic Tax Expenses	\$0	\$0	\$0
Less Property Taxes	(\$955,496)	(\$965,051)	(\$974,702)
NOI	<u>\$2,220,723</u>	<u>\$2,260,636</u>	<u>\$2,301,302</u>
Less Annual Debt Service	(\$1,673,692)	(\$1,673,692)	(\$1,673,692)
Cash Available for Distribution	<u>\$547,030</u>	<u>\$586,943</u>	<u>\$627,610</u>
Cash flow Return on Equity	4.97%	5.33%	5.70%

*Assumes Phase II Without PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations

OVERALL PROJECT -- PRO FORMA DRAFT

	2045	2046
PHASE I		
Proj Gross Annual Rental Revenues	\$3,460,704	\$3,495,311
Less Vacancy (assumes 7% apartments)	(\$180,419)	(\$182,223)
Less Operating Expenses	(\$1,150,725)	(\$1,162,232)
Less Historic Tax Expenses	\$0	\$0
Less Property Taxes	(\$644,923)	(\$651,373)
NOI	<u>\$1,484,637</u>	<u>\$1,499,484</u>
Less Annual Debt Service	(\$1,109,790)	(\$1,109,790)
Cash Available for Distribution	<u>\$374,847</u>	<u>\$389,694</u>
Cash flow Return on Equity	5.21%	5.41%
PHASE II Without PILOT		
Proj Gross Annual Rental Revenues	\$1,878,941	\$1,916,520
Less Vacancy (assumes 8% apartments)	(\$141,687)	(\$143,104)
Less Operating Expenses	(\$539,630)	(\$545,026)
Less Historic Tax Expenses	\$0	\$0
Less Property Taxes	(\$339,525)	(\$342,920)
NOI	<u>\$858,099</u>	<u>\$885,469</u>
Less Annual Debt Service	(\$563,902)	(\$563,902)
Cash Available for Distribution	<u>\$294,196</u>	<u>\$321,567</u>
Cash flow Return on Equity	7.71%	8.43%
TOTAL PROJECT		
Proj Gross Annual Rental Revenues	\$5,339,645	\$5,411,831
Less Vacancy (assumes 7% apartments)	(\$322,106)	(\$325,327)
Less Operating Expenses	(\$1,690,355)	(\$1,707,258)
Less Historic Tax Expenses	\$0	\$0
Less Property Taxes	(\$984,449)	(\$994,293)
NOI	<u>\$2,342,736</u>	<u>\$2,384,953</u>
Less Annual Debt Service	(\$1,673,692)	(\$1,673,692)
Cash Available for Distribution	<u>\$669,044</u>	<u>\$711,260</u>
Cash flow Return on Equity	6.07%	6.46%

*Assumes Phase II Without PILOT

**Assumes Income and Expenses escalate annually at 1%

***Phase I Includes the Garage Operations