



PILOT Application:

316-324 S. Front Street, Memphis TN 38103

Administered by:
Center City Revenue Finance Corporation

Dear Members of the Board,

We are pleased to present the enclosed application to the Downtown Memphis Commission (DMC) for a PILOT to enable the development of 316-324 South Front which is planned to include the renovation of a vacant historic structure located at 324 S Front and a new five-story mixed-use building located at 316 S Front. The proposed development will activate the corner of Front Street and Vance Avenue with new ground-floor retail while providing higher-end residential density to the area at both affordable and market rates.

The development team has performed the necessary due diligence, conceptual design, and preliminary budgeting to determine the viability of the project. Through a partnership with the DMC, the development team believes this project will represent a lasting positive impact for downtown Memphis by adding approximately 10,000 sf of curated ground floor retail, 165 new multi-family residences and on-site parking to an under-utilized parcel in the up-and-coming South Main Historic District. Furthermore, the development team believes this project will strategically complement a growing residential market, new & existing businesses, and other projects currently underway in the immediate area.

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We appreciate your consideration and look forward to partnering with the DMC to bring this exciting project to Memphis.

Sincerely,

18 Main, LLC Team

1. Applicant Background of the applying entity

State the name(s) of the applying entity's representatives and any other financial guarantors of the Project and their addresses and telephone numbers if different from above.

Applicant:

324 S Front, LLC.

Address:

5384 Poplar Ave #400, Memphis, TN 38119

Representative:



John Halford
cnct. development, LLC
676 Marshall Ave Suite 101
Memphis, Tn 38103

2. *Provide background information about the applicant and guarantors, including development experience, if any, and all other relevant information this organization may need to consider while reviewing the application. Describe the corporate or partnership structure as applicable.*

324 S Front, LLC (controlled by 18 Main, LLC):

Development and related experience:

18 Main is rooted in long-term, multi-strategy real estate investment, coupled with investment in operating businesses centered around lifestyle brands, creative office and experiential retail including hospitality and food & beverage.

18 Main Founder and Managing Principal Tom Intrator carries deep industry knowledge spanning the syndication, ownership, rehabilitation, financing, and management of commercial real estate. Tom has served as a founding partner of New-York based Hyde Capital, LLC since 2010. Hyde Capital and its subsidiary, The Lennox Companies, have acquired and managed a real estate portfolio in excess of \$300 million across multifamily, retail, and office assets. The group has been active in Memphis since 2013, owning and managing over 1,500 multifamily units in the area, to date. Prior to forming Hyde, Tom worked with Silverback Capital, a real estate investment and development firm in New York City. He is managing member of financial services holding company, J.I. & Sons, LLC and its financial technology platform Vessti.

Shay Yadin, Managing Partner of 18 Main, oversees the acquisition, development, and rehabilitation of the firm's real estate portfolio. Applying over a decade of extensive experience in property development as well as real estate law, Shay has worked closely with investors, consultants, contractors, and municipal authorities to develop more than 3 million square feet, valued in excess of \$750M, across retail, office, hospitality, and residential assets nationwide. Previously, Shay worked as a real estate attorney at Goldfarb Seligman LLP and as a senior wealth management and market analyst at Psagot Investment House in Israel. Shay holds a dual bachelor's degree in Law and Business Administration with a focus in real estate as well as a master's degree in Law (LL.M) with a focus in Real Estate Law. Shay is a retired Lieutenant from the Israel Defense Forces.

3. Proposed Project description

a) *Location:*

*Project Address: 316-324 South Front Street, Memphis Tennessee 38103
316 S Front Parcel ID: 002102 00011C
324 S Front Parcel ID: 002102 00013*



316-324 S Front is located within the South Main Historic District, one of Memphis's fastest growing and culturally vibrant districts. The site is immediately adjacent to the world-famous Gus's Fried Chicken, Old Dominick Distillery, and the future site of the new One Beale development. The development team plans to introduce new mixed-use program and residential density to what is currently a vacant historic structure and under-utilized plot of land. Although there are currently no on-site parking requirements within the CBD district, the development team intends to provide sub-grade and ground level parking to improve retail viability and limit added pressure on nearby garages. The parking structure will be wrapped by retail in order to screen cars from view and bring activity to the street.

b) *Intended Use:*

The use for the 316-324 site is a proposed mixed-use multifamily and retail development to include the historic renovation of 324 S Front, as well as, a new ground-up five-story structure that will wrap the 324 parcel with entrances on Front and Vance. The developer is working with a local team of project managers, architects, contractors, and real estate professionals to provide a product that will meet demands of the downtown Memphis market while raising the bar of new mixed-use development.

c) *Economic and Environmental impact:*

The proposed development is planned to bring approximately 165 new residential units to downtown Memphis as well as 10,000 sf of new retail space along the Front Street and Vance Avenue. It will also include approximately 120 parking spaces within a podium structure. The site is immediately adjacent to the Old Dominick distillery and contiguous to the famous Gus's fried chicken. By activating the currently vacant site at 316 S Front, the new podium structure, lined with storefront retail, will complete the block. In addition, the abandoned historic structure will be reactivated, bringing a new vitality to the north east corner of Front Street and Vance Avenue. The project will be designed by local professionals and built in accordance to the EBO program outlined by the DMC.

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d) *The square footage of the building/ land area to be renovated:*

- a. 316 S Front New Garage: Approximately 47,300 sf
- b. 316 S Front New Retail & Apartments: Approximately 126,800 sf / 0.459 Acres
- c. 324 S Front Renovation: Approximately 21,000 sf / 0.160 Acres

e) Attached are the architectural plans, renderings. **See Exhibits.**

f) *A Letter from certified engineer, licensed in the State of Tennessee, as to the structural integrity of the building for its intended usage:*

The new building is being designed by Tennessee licensed architects and engineers and will meet all applicable building code requirements. The existing building at 324 S Front is visually in stable condition.



- g) *State the Marketing plans for the project identifying the intended market. What types of lessees are anticipated?*

Ground Floor Retail and Commercial spaces are planned to be leased under a “double-net lease”. Retail and Commercial Tenants will be determined over the course of project design & construction. Upper floor multi-family residential will be leased at market rate and per the PILOT guidelines with full occupancy expected within six (6) months from substantial completion.

- h) *If the project is speculative, how long is full occupancy expected to take and who will manage the project?* **Full occupancy is expected within six (6) months of completion for the commercial office component of the project. Commercial Retail leases are expected to be signed during the construction phase (if not prior), transition to tenant improvements, and have tenants occupy the property immediately thereafter. Residential multi-family units are expected to be leased as traditional leases at market rates with full occupancy expected within six (6) months from substantial completion. Property management offices will be on-site and will be by an affiliated management company.**
- i) *Are changes needed to the public space around the project (for example; sidewalks, lighting and planting)?* **Improvements will be required to the sidewalk, new or re-located curb cuts, and road closures on Vance Avenue and Front Street for utility access and below-grade shoring. New architectural lighting is anticipated to be included in the project’s design. New landscaping is expected to be included at ground level adjacent to public sidewalks.**
- j) *Other information fully explaining the project and its history.* **324 South Front is an existing warehouse structure originally constructed in 1900 that has been dormant for several years. There was previously a warehouse structure on 316 S Front that has been removed prior to the 324 S Front, LLC taking site control.**

4. Site Control

- a) *Name the property owner at the time of application:* **324 S Front, LLC.**

5. Financial items:

- a) **Financial Background:**
Attach current audited financial statements of the applicant and guarantors. If audited financial statements are unavailable, please submit non-audited statements. State the relationship any applicant or grantor has had with any accounting firm of the last five years. To be provided to Board Chairman or Board Attorney as required.



- b) *Describe any and all existing financing, options, and liens on the property: **324 S Front, LLC is scheduled to purchase the property on before the end of 2019 and will use bank financing to complete the renovations.***

*Attach three years of tax returns if applicant is an individual: **To be provided to Board Chairman or Board attorney as required.***

*Provide the following information about the loan or proposed loan for the project: **See attached.***

*Attach information about the financial history of the project and previous attempts to develop, if possible: **Recent attempts to develop this property have been limited to the initial planning phase. Outside of some work to stabilize the building, there has been no attempts to renovate this property. Historic renovations and adaptive re-use projects are critical to the fabric of South Front but are typically difficult to develop due to site constraints and access to dedicated parking. Through the PILOT program, the applicant can make an investment that will add density and vibrancy to the downtown core, sustainably preserve our historic building stock, and improve the experience of Memphis's most prominent commercial corridor.***

- c) **Financial Projections:**

*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 amount. **See attached sources and uses.***

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- d) *Attach a cash flow pro-forma along with a statement of Sources and Uses of funds for the project. **See attached cash flow-proforma***

6. **Project Timeline:**

- a) *State the proposed time schedule for the Project including the dates anticipated for the following:*
- a. *Closing of the loan or contributing financing availability. **Upon PILOT approval and prior to the Commencement of Construction (see attached project schedule).***
 - b. *First expenditure of funds with regard to the project. **Soft cost expenditures have begun as well as acquisition funds.***
 - c. *Anticipated construction will begin. **See attached project schedule.***
 - d. *Anticipated completion date. **See attached project schedule.***

7. **Project Team:**

- a) *Architects and Engineers:*
- a. **Architect; PKM Architects**
 - b. **Structural Engineer; TBD**



- c. M, P, & FP Engineer; **TBD**
- d. Electrical Engineer; **TBD**
- b) *Contractor for Project:* **TBD**
- c) *Other Professionals:*
 - a. Project Management; **cnct. development, LLC**
- d) *Does the applicant or guarantor have any previous or ongoing relationship with any board member or legal counsel of the board:* **No.**

8. References:

- a) Ronen Abergel
Vice President
Arbor Realty Trust, Inc.
375 Park Avenue Suite 3401
(516)506-4228
- b) Blake Pera, CCIM
Vice Chairman
ARA Newmark
555 Perkins Extended, Ste 300
Memphis, TN 38117
(901)260-1156
- c) Jonathan Zilber
Senior Vice President
Meridian Capital Group – Cleveland Office
2000 Auburn Drive, Ste. 200
Beachwood, OH 44122
(216)413-4201

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9. Items for Lease Preparation:

- a) *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. **324 S Front, LLC***
 - a. *State the tax parcel number for all Property involved with the project and the current assessed value of the Property.*
 - a. **316 S Front Parcel ID: 002102 00011C; assessed value: \$107,120**
 - b. **324 S Front Parcel ID: 002102 00013; assessed value: \$94,400**
 - b. *Are there any assessments presently under appeal?* **No**
 - c. *Will the Project result in the subdivision of any present tax parcel?* **No**

10. Disclosures:



- a) *Please disclose whether applicant, guarantor or any other person involved with the project is currently engaged in any civil or criminal proceeding. **No.***
- b) *Also, disclose whether any individual involved with the project has ever been charged or convicted of any felony or currently is under indictment. **No.***
- c) *Please supply detailed information. **N/A***

11. Applicant Affirmation:

324 S Front, LLC.
5384 Poplar Ave #400, Memphis, TN 38119



INDEX OF EXHIBITS:

- A) Proposed Project Site Plan
- B) Architectural Plans and Renderings
- C) Sources & Uses
- D) Cash Flow Proforma
- E) PILOT Grading Matrix
- F) Project Schedule

EXHIBIT A
PROPOSED PROJECT SITE PLAN



*SUBJECT TO CHANGE BASED ON FINAL DESIGN

EXHIBIT B
ARCHITECTURAL PLANS & RENDERINGS



EXISTING PHOTO



EXISTING PHOTO

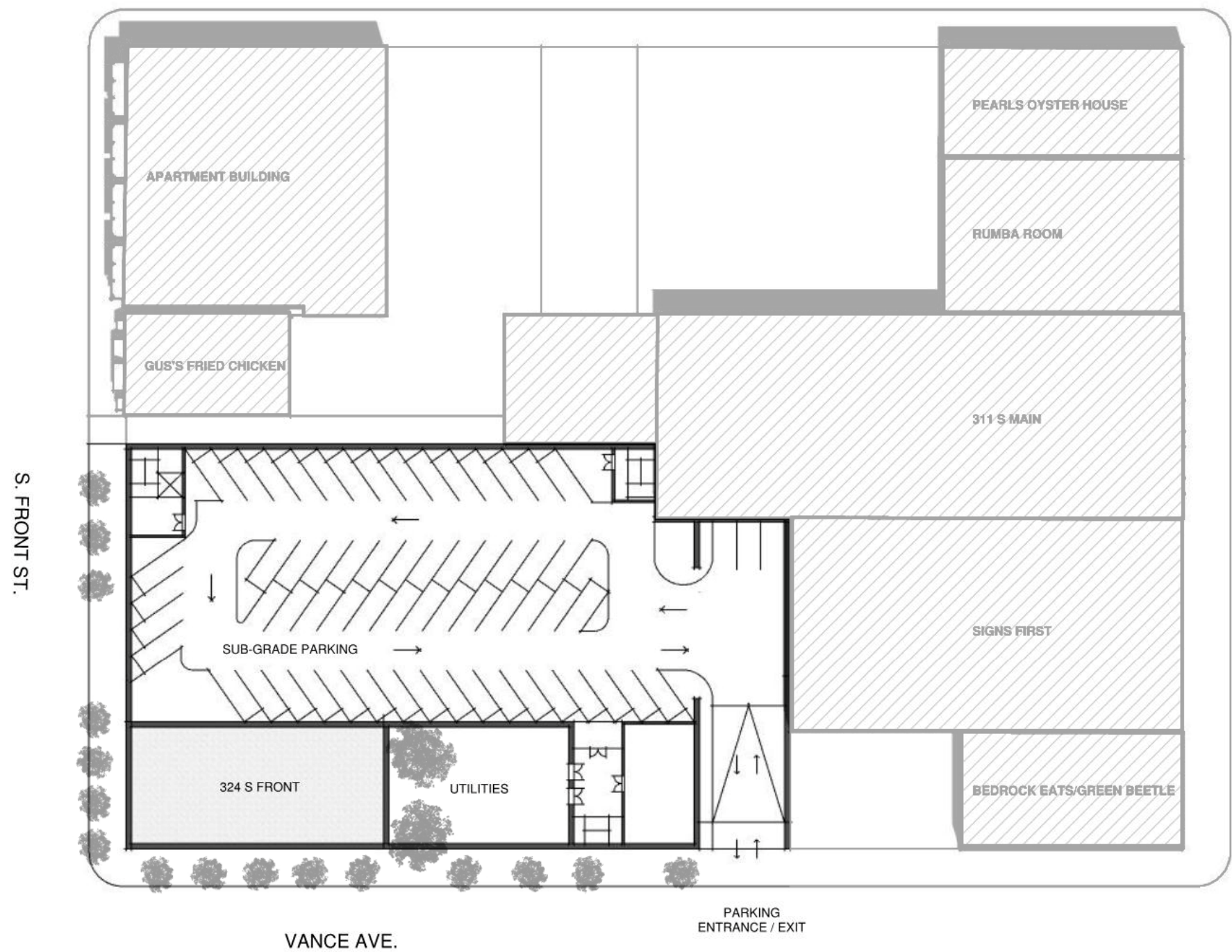


EXISTING BASEMENT



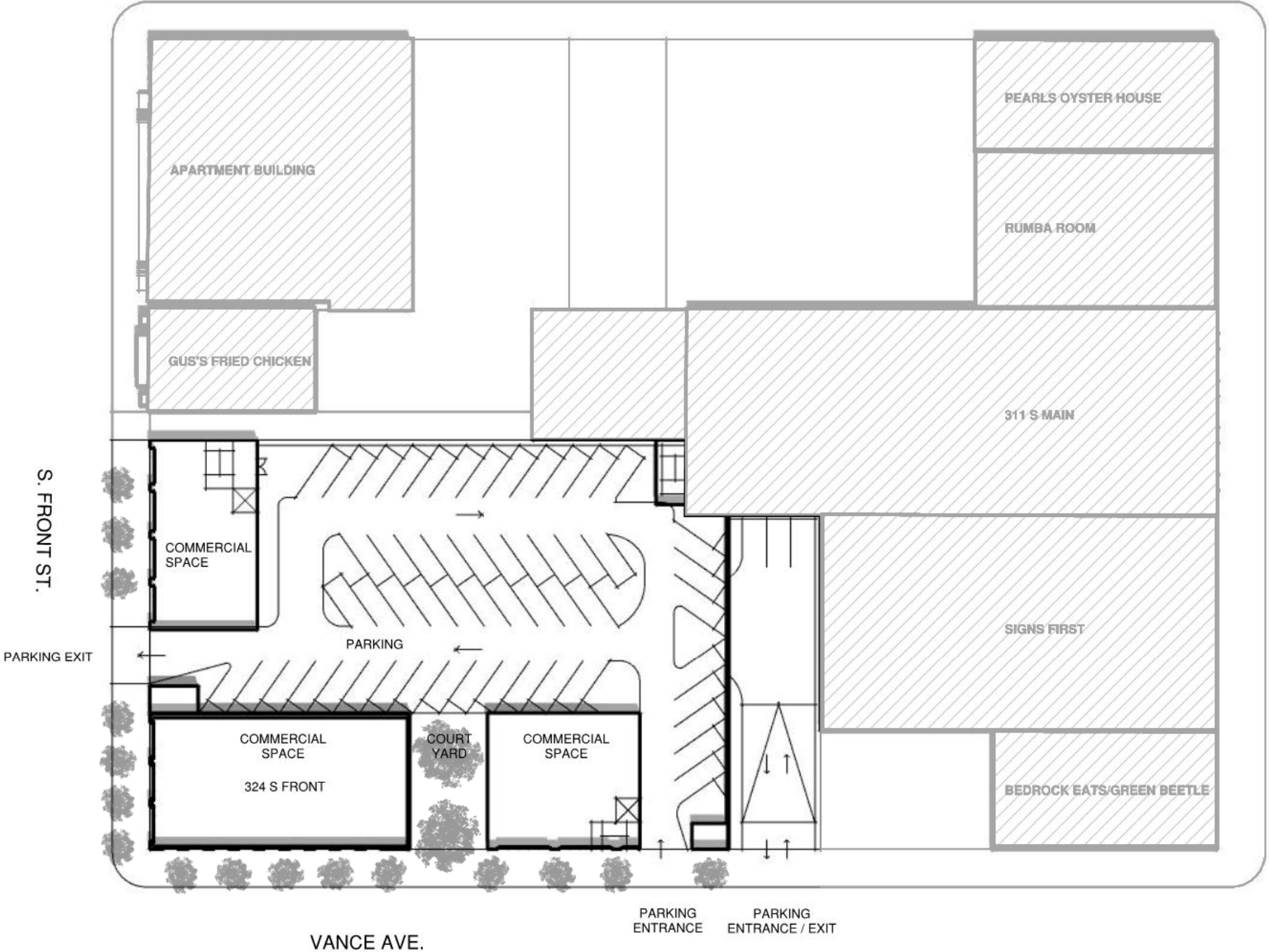
EXISTING UPPER FLOOR

EXHIBIT B
ARCHITECTURAL PLANS & RENDERINGS



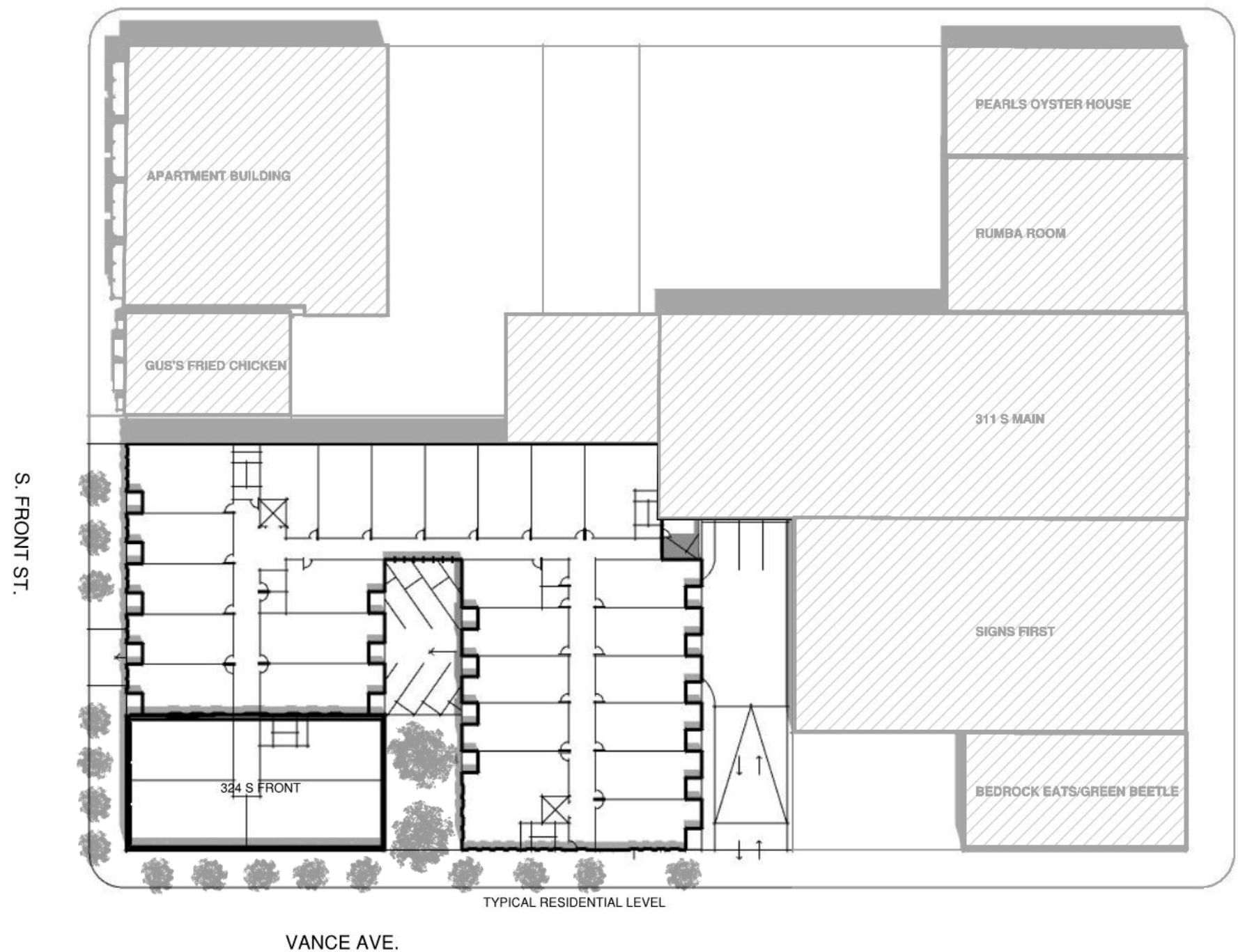
*SUBJECT TO CHANGE BASED ON FINAL DESIGN

EXHIBIT B
ARCHITECTURAL PLANS & RENDERINGS



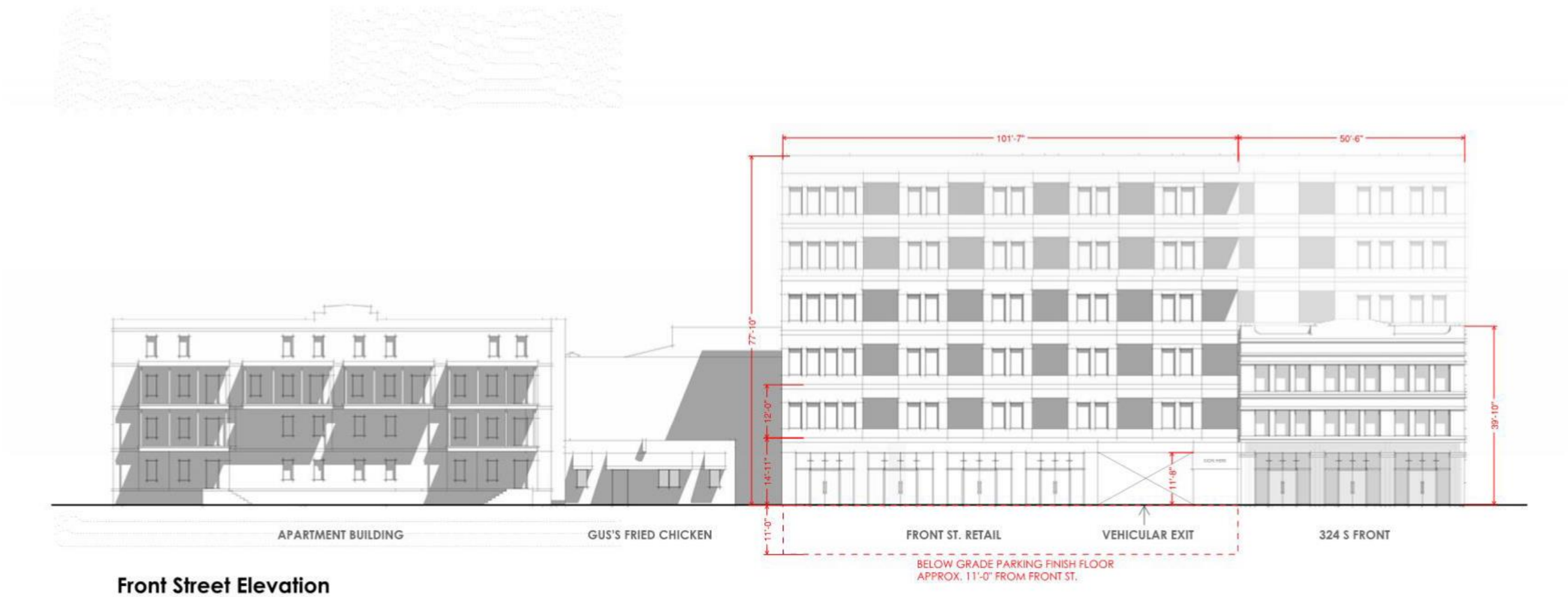
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EXHIBIT B
ARCHITECTURAL PLANS & RENDERINGS



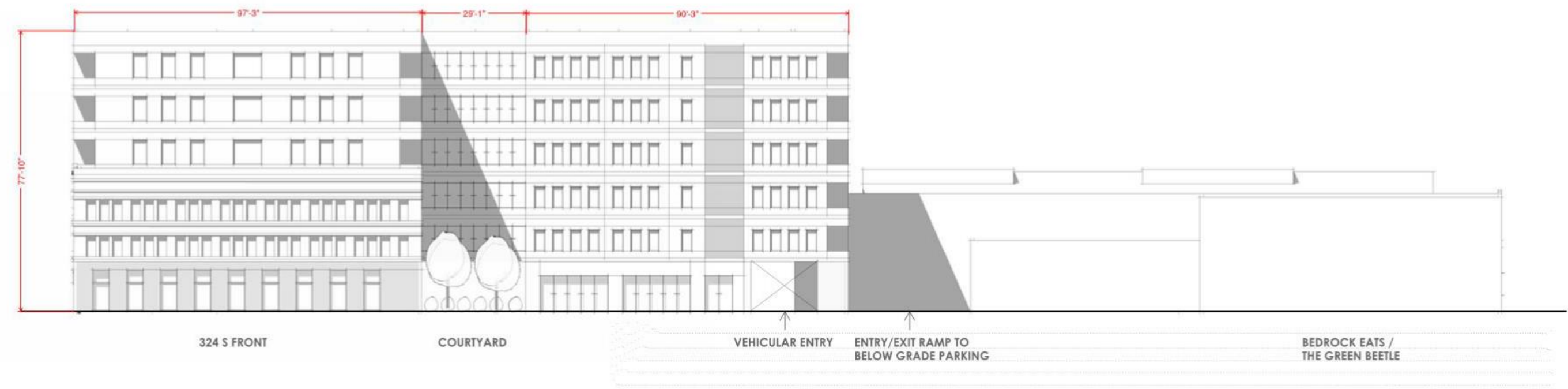
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EXHIBIT B
ARCHITECTURAL PLANS & RENDERINGS



*SUBJECT TO CHANGE BASED ON FINAL DESIGN

EXHIBIT B
ARCHITECTURAL PLANS & RENDERINGS



Vance Ave. Elevation

*SUBJECT TO CHANGE BASED ON FINAL DESIGN

EXHIBIT B
ARCHITECTURAL PLANS & RENDERINGS



*SUBJECT TO CHANGE BASED ON FINAL DESIGN

EXHIBIT C
SOURCES & USES

SOURCES OF FUNDS:

Project Debt	\$22,663,572	75%
Owner's Equity in Project	\$7,554,524	
Total Sources of Funds	<u>\$30,218,096</u>	

USES OF FUNDS:

Detail of Project Costs:	
Land & Building Purchase	\$3,000,000
Construction Costs	\$23,347,562
* Soft Costs	\$898,200
** Financing Fees	\$1,948,484
Total Project Costs	\$29,194,246
Other Uses:	
Landlord's TI	\$445,000.00
Admin & Brokerage Fees	\$578,850.60
Total Uses of Funds	<u>\$30,218,096</u>

* includes professional fees: architecture, engineering, & geotechnical

** includes PILOT fee, legal, insurance, and interest during construction

EXHIBIT D
CASH FLOW PROFORMA

WITH PILOT:

Pro Forma Cash Flow

			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
REVENUE:	rsf	\$/rsf (mo)															
Commercial Space Revenue:																	
Retail Space	9,776 sf	\$1.50	\$14,664	\$14,957	\$15,256	\$15,562	\$15,873	\$16,190	\$16,514	\$16,844	\$17,181	\$17,525	\$17,875	\$18,233	\$18,597	\$18,969	\$19,349
Basement Retail	3,000 sf	\$1.00	\$3,000	\$3,045	\$3,091	\$3,137	\$3,184	\$3,232	\$3,280	\$3,330	\$3,379	\$3,430	\$3,482	\$3,534	\$3,587	\$3,641	\$3,695
Parking Garage	125 spaces	\$85/space	\$10,625	\$10,784	\$10,946	\$11,110	\$11,277	\$11,446	\$11,618	\$11,792	\$11,969	\$12,149	\$12,331	\$12,516	\$12,703	\$12,894	\$13,087
Total Commercial Square Footage	9,776 sf																
Vacancy Assumptions	95%																
Average Revenue per Square Foot	\$1.25																
Yearly Subtotal Commercial Space Revenue	12 mo		\$322,495	\$328,944	\$335,523	\$342,234	\$349,079	\$356,060	\$363,181	\$370,445	\$377,854	\$385,411	\$393,119	\$400,982	\$409,001	\$417,181	\$425,525
Residential Space Revenue																	
Total Residential Square Footage	110,150 sf																
Total Number of Units	165 units																
Vacancy Assumptions	95%																
Average Revenue per Square Foot	\$1.75																
Yearly Subtotal Residential Space Revenue	12 mo		\$2,197,493	\$2,241,442	\$2,286,271	\$2,331,997	\$2,378,637	\$2,426,209	\$2,474,733	\$2,524,228	\$2,574,713	\$2,626,207	\$2,678,731	\$2,732,306	\$2,786,952	\$2,842,691	\$2,899,545
Other Revenue																	
Other Fees (RUB, Pet Fees, etc.) @ 5%	5%		\$10,357	\$9,339	\$9,526	\$9,717	\$9,911	\$10,109	\$10,311	\$10,518	\$10,728	\$10,943	\$11,161	\$11,385	\$11,612	\$11,845	\$12,081
Yearly Subtotal Other Revenue	12 mo		\$124,289	\$112,072	\$114,314	\$116,600	\$118,932	\$121,310	\$123,737	\$126,211	\$128,736	\$131,310	\$133,937	\$136,615	\$139,348	\$142,135	\$144,977
Total Projected Revenue (mo)			\$2,644,276	\$2,682,459	\$2,736,108	\$2,790,830	\$2,846,647	\$2,903,580	\$2,961,651	\$3,020,884	\$3,081,302	\$3,142,928	\$3,205,787	\$3,269,903	\$3,335,301	\$3,402,007	\$3,470,047
EXPENSES:																	
Operating Expenses																	
Salaries & Personnel	\$1,000 /unit		\$165,000	\$168,300	\$171,666	\$175,099	\$178,601	\$182,173	\$185,817	\$189,533	\$193,324	\$197,190	\$201,134	\$205,157	\$209,260	\$213,445	\$217,714
Insurance	\$300 /unit		\$49,500	\$50,490	\$51,500	\$52,530	\$53,580	\$54,652	\$55,745	\$56,860	\$57,997	\$59,157	\$60,340	\$61,547	\$62,778	\$64,034	\$65,314
RE Taxes	5.2%		\$137,647	\$140,400	\$143,208	\$146,072	\$148,994	\$151,974	\$155,013	\$158,113	\$161,276	\$164,501	\$167,791	\$171,147	\$174,570	\$178,061	\$181,623
Utilities	\$350 /unit		\$57,750	\$58,905	\$60,083	\$61,285	\$62,510	\$63,761	\$65,036	\$66,337	\$67,663	\$69,017	\$70,397	\$71,805	\$73,241	\$74,706	\$76,200
General & Admin	\$500 /unit		\$82,500	\$84,150	\$85,833	\$87,550	\$89,301	\$91,087	\$92,908	\$94,767	\$96,662	\$98,595	\$100,567	\$102,578	\$104,630	\$106,723	\$108,857
Replacement Reserves	\$750 /unit		\$123,750	\$126,225	\$128,750	\$131,324	\$133,951	\$136,630	\$139,363	\$142,150	\$144,993	\$147,893	\$150,851	\$153,868	\$156,945	\$160,084	\$163,285
Contract Services	\$500 /unit		\$82,500	\$84,150	\$85,833	\$87,550	\$89,301	\$91,087	\$92,908	\$94,767	\$96,662	\$98,595	\$100,567	\$102,578	\$104,630	\$106,723	\$108,857
Repair & Maintenance	\$500 /unit		\$82,500	\$84,150	\$85,833	\$87,550	\$89,301	\$91,087	\$92,908	\$94,767	\$96,662	\$98,595	\$100,567	\$102,578	\$104,630	\$106,723	\$108,857
Total Projected Expenses	29.5%		\$781,147	\$796,770	\$812,706	\$828,960	\$845,539	\$862,450	\$879,699	\$897,293	\$915,238	\$933,543	\$952,214	\$971,258	\$990,683	\$1,010,497	\$1,030,707
NET OPERATING INCOME:			\$1,863,129	\$1,885,689	\$1,923,403	\$1,961,871	\$2,001,108	\$2,041,130	\$2,081,953	\$2,123,592	\$2,166,064	\$2,209,385	\$2,253,573	\$2,298,644	\$2,344,617	\$2,391,509	\$2,439,340
DEBT SERVICE:			-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450
DEBT SERVICE RATIO:	1.27																
NET CASH FLOW:			\$399,679	\$422,239	\$459,953	\$498,421	\$537,658	\$577,680	\$618,503	\$660,142	\$702,614	\$745,935	\$790,123	\$835,194	\$881,167	\$928,059	\$975,890
PROJECT CAP RATE:	6.17%																

*SUBJECT TO CHANGE BASED ON FINAL DESIGN



EXHIBIT D
CASH FLOW PROFORMA

WITHOUT PILOT:

Pro Forma Cash Flow

			Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15
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Salaries & Personnel	\$1,000 /unit		\$165,000	\$168,300	\$171,666	\$175,099	\$178,601	\$182,173	\$185,817	\$189,533	\$193,324	\$197,190	\$201,134	\$205,157	\$209,260	\$213,445	\$217,714
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RE Taxes	19.2%		\$506,782	\$516,918	\$527,256	\$537,801	\$548,557	\$559,529	\$570,719	\$582,134	\$593,776	\$605,652	\$617,765	\$630,120	\$642,723	\$655,577	\$668,689
Utilities	\$350 /unit		\$57,750	\$58,905	\$60,083	\$61,285	\$62,510	\$63,761	\$65,036	\$66,337	\$67,663	\$69,017	\$70,397	\$71,805	\$73,241	\$74,706	\$76,200
General & Admin	\$500 /unit		\$82,500	\$84,150	\$85,833	\$87,550	\$89,301	\$91,087	\$92,908	\$94,767	\$96,662	\$98,595	\$100,567	\$102,578	\$104,630	\$106,723	\$108,857
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Contract Services	\$500 /unit		\$82,500	\$84,150	\$85,833	\$87,550	\$89,301	\$91,087	\$92,908	\$94,767	\$96,662	\$98,595	\$100,567	\$102,578	\$104,630	\$106,723	\$108,857
Repair & Maintenance	\$500 /unit		\$82,500	\$84,150	\$85,833	\$87,550	\$89,301	\$91,087	\$92,908	\$94,767	\$96,662	\$98,595	\$100,567	\$102,578	\$104,630	\$106,723	\$108,857
Total Projected Expenses	29.5%		\$1,150,282	\$1,173,288	\$1,196,754	\$1,220,689	\$1,245,103	\$1,270,005	\$1,295,405	\$1,321,313	\$1,347,739	\$1,374,694	\$1,402,188	\$1,430,231	\$1,458,836	\$1,488,013	\$1,517,773
NET OPERATING INCOME:			\$1,493,994	\$1,509,171	\$1,539,354	\$1,570,141	\$1,601,544	\$1,633,575	\$1,666,247	\$1,699,572	\$1,733,563	\$1,768,234	\$1,803,599	\$1,839,671	\$1,876,464	\$1,913,994	\$1,952,274
DEBT SERVICE:			-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450	-\$1,463,450
DEBT SERVICE RATIO:	1.02																
NET CASH FLOW:			\$30,544	\$45,721	\$75,904	\$106,692	\$138,094	\$170,125	\$202,797	\$236,122	\$270,113	\$304,784	\$340,149	\$376,221	\$413,014	\$450,544	\$488,824
PROJECT CAP RATE:	4.94%																

*SUBJECT TO CHANGE BASED ON FINAL DESIGN



EXHIBIT E

PILOT GRADING MATRIX

Appendix I – PILOT Grading

A project must meet at least one primary qualification category in order to be eligible for any applicable secondary qualifications and/or additional term accumulation. Exceptions for projects that further the priorities of the CCRFC may be granted at the discretion of the CCRFC board.

PRIMARY QUALIFICATION		SECONDARY QUALIFICATION	
RESIDENTIAL			
2 to 5 Units:	1 Year	2 to 5 Units:	.5 Year
6 to 10 Units:	2 Years	6 to 10 Units:	1 Year
11 to 15 Units:	3 Years	11 to 15 Units:	1.5 Years
16 to 25 Units:	4 Years	16 to 25 Units:	2 Years
26 to 50 Units:	5 Years	26 to 50 Units:	2.5 Years
51 Units +:	6 Years	51 + Units:	3 Years
OFFICE			
Below 15,000 sf:	1 Year	Below 15,000 sf:	.5 Year
15,000 to 50,000:	2 Years	15,000 to 50,000:	1 Year
50,001 to 100,000:	3 Years	50,001 to 100,000:	1.5 Years
100,001 to 200,000:	4 Years	100,001 to 200,000:	2 Years
200,001 to 300,000:	5 Years	200,001 to 300,000:	2.5 Years
300,001 sf +:	6 Years	300,001 sf +:	3 Years
EDUCATION			
Below 15,000 sf:	1 Year	Below 15,000 sf:	.5 Year
15,000 to 50,000:	2 Years	15,000 to 50,000:	1 Year
50,001 to 100,000:	3 Years	50,001 to 100,000:	1.5 Years
100,001 to 200,000:	4 Years	100,001 to 200,000:	2 Years
200,001 to 300,000:	5 Years	200,001 to 300,000:	2.5 Years
300,001 sf +:	6 Years	300,001 sf +:	3 Years
HOTEL			
2 to 10 Rooms:	1 Year	2 to 10 Rooms:	.5 Year
11 to 25 Rooms:	2 Years	11 to 25 Rooms:	1 Year
26 to 50 Rooms:	3 Years	26 to 50 Rooms:	1.5 Years
51 to 100 Rooms:	4 Years	51 to 100 Rooms:	2 Years
101 to 200 Rooms:	5 Years	101 to 200 Rooms:	2.5 Years
201 Rooms +:	6 Years	201 Rooms +:	3 Years
INDUSTRIAL			
Below 50,000 sf:	1 Year	Below 50,000 sf:	.5 Year
50,000 to 150,000:	2 Years	50,000 to 150,000:	1 Year
150,001 to 250,000:	3 Years	150,001 to 250,000:	1.5 Years
250,001 to 350,000:	4 Years	250,001 to 350,000:	2 Years
350,001 to 500,000:	5 Years	350,001 to 500,000:	2.5 Years
500,001 sf +:	6 Years	500,001 sf +:	3 Years
PARKING STRUCTURES			
200 to 300 cars:	1 Year	200 to 300 cars:	.5 Year
301 to 400 cars:	2 Years	301 to 400 cars:	1 Year
401 to 500 cars:	3 Years	401 to 500 cars:	1.5 Years
501 to 600 cars:	4 Years	501 to 600 cars:	2 Years
601 to 700 cars:	5 Years	601 to 700 cars:	2.5 Years
701 cars +:	6 Years	701 cars +:	3 Years

EXHIBIT E

PILOT GRADING MATRIX

RETAIL	
15,000 to 20,000 sf:	4 Years
20,001 to 30,000 sf:	5 Years
30,001 sf + :	6 Years
Below 5,000 sf:	.5 Year
5,000 to 9,999 sf:	1 Year
10,000 to 14,999 sf:	1.5 Years
15,000 to 20,000 sf:	2 Years
20,001 to 30,000 sf:	2.5 Years
30,001 sf + :	3 Years
TOTAL PROJECT DEVELOPMENT COST	
\$1 – 5 Million:	1 Year
\$5+ – 10 Million:	2 Years
\$10+ – 15 Million:	3 Years
\$15+ – 20 Million:	4 Years
\$20+ Million:	5 Years
CCRFC Priorities	
General Location	
Located in CBID (Appendix II):	3 Years
Located outside CBID, but inside CCRFC boundaries (Appendix II):	1 Year
Core & Historic	
<i>Project may only qualify for one of the following five:</i>	
Construction of a new structure in the Downtown Core:	1 Year
Renovation of an existing structure in the Downtown Core:	2 Years
Renovation of a structure listed as non-contributing property in a National Register or Landmarks Commission Historic District:	3 Years
Renovation of a structure listed as significant or contributing in a National Register or Memphis Landmarks Commission Historic District:	4 Years
Renovation of a structure listed individually on the National Register of Historic Places:	5 Years
Community-based Initiatives & Economically Distressed Areas	
<i>Project may qualify for up to two of the following:</i>	
Fronting the Main to Main Multi-Modal Connector Route (Appendix II):	3 Years
Located within the boundaries of the Edge Neighborhood (Appendix II):	3 Years
Located within the boundaries of the South City Impact Area (Appendix II):	3 Years
Located within the boundaries of the Pinch Neighborhood (Appendix II):	4 Years
Located in a Census Tract with a Poverty Rate over 20 percent*	2 Years
Located in a Census Tract earning 80 or less of Area Median Income (AMI)*	2 Years
Design & Energy	
<i>Project may qualify for one or more of the following:</i>	
Including permanent public art (qualification determined by the DMC Design Review Board):	1 Year
Including enhanced architectural lighting (qualification determined by the DMC Design Review Board):	1 Year
Leadership in Energy and Environmental Design (LEED) Certification:	4 Years

EXHIBIT E

PILOT GRADING MATRIX

Net Zero Energy Building (NZE) Certification:	4 Years
Memphis Light, Gas and Water (MLGW) Energy Advantage Certification:	1 Years

* Applicants may refer to the HUD map to confirm qualification: <https://www.huduser.gov/gct/gctmap.html>.

PILOT TERM CALCULATION

Primary Qualification:	6 Years
Secondary Qualification A:	.5 Years
Secondary Qualification B:	1.5 Years
Secondary Qualification C:	
Total Project Development Cost:	5 Years
CCRFC Priorities:	12 Years
PILOT TERM:	25 Years

EXHIBIT F
PROJECT SCHEDULE MILESTONES

1. Programming & Concept Phase	07/15/2019
2. PILOT Application	10/29/2019
3. PILOT CCRFC Review	11/14/2019
4. Schematic Design Phase	11/25/2019
5. Design Development Phase	3/15/2020
6. Construction Document Phase	6/15/2020
7. Bidding & Negotiation	10/15/2020
8. Permit Issued	11/1/2020
9. Commencement of Construction	11/05/2020
10. Substantial Completion	8/15/2022
11. Full Occupancy Expected	4/15/2023

PILOT Request	
Requested PILOT Term (years)	15.0
Project Type	New & Rehab
Located in the CBID?	Yes
Current Amounts	
Base Appraisal	\$503,800
Base Assessment	\$201,520
Annual City Tax on Base Assessment	\$6,441
Annual County Tax on Base Assessment	\$8,162
Annual RE Taxes on Base Assessment	\$14,602
Project Costs	
Acquisition Cost	\$3,000,000
Hard Costs	\$23,347,562
Soft Costs	\$898,200
Total Project Costs w/o PILOT fee	\$27,245,762
Hard Costs Investment Check - 85.7%	YES
Public grants eligible for PILOT fee basis reduction	\$0
PILOT fee basis	\$27,245,762
PILOT fee	\$408,686
Total Project Costs w/ PILOT fee	\$27,654,448
Valuation & CBID Assessment	
Base Appraisal	\$503,800
Percentage of Hard Costs	\$16,343,293
Estimated Appraisal after Improvements	\$16,847,093
Estimated Assessment after Improvements	\$6,738,837
Estimated Annual CBID Assessment after Improvements	\$43,737
Annual RE Taxes	
<i>Hypothetical annual taxes without PILOT*</i>	
Estimated Hypothetical Annual City Tax without PILOT*	\$215,372
Estimated Hypothetical Annual County Tax without PILOT*	\$272,923
Estimated Hypothetical Total Annual Taxes without PILOT*	\$488,295
<i>Estimated annual taxes with PILOT</i>	
Estimated Annual City Tax with PILOT	\$58,673
Estimated Annual County Tax with PILOT	\$74,352
Estimated Total Annual Taxes with PILOT	\$133,025
Estimated Annual Benefit	\$355,270
Cumulative RE Taxes	
<i>Hypothetical cumulative taxes without PILOT*</i>	
Estimated Hypothetical Cumulative City Tax without PILOT*	\$3,230,584
Estimated Hypothetical Cumulative County Tax without PILOT*	\$4,093,844
Estimated Hypothetical Total Cumulative Taxes without PILOT*	\$7,324,428
<i>Estimated cumulative taxes with PILOT</i>	
Estimated Cumulative City Tax with PILOT	\$880,102
Estimated Cumulative County Tax with PILOT	\$1,115,278
Estimated Total Cumulative Taxes with PILOT	\$1,995,381
Estimated Cumulative Benefit over 15-Year PILOT	\$5,329,047
Estimated Cumulative Increase in Taxes due to PILOT	\$1,776,349

**Staff has concluded that this project would not go forward without a PILOT. Hence, the "Estimated Hypothetical" amounts are fictional/moot numbers used to calculate the benefit of the PILOT to the project. The benefit figure does not represent lost tax revenue to the City or County. Without the PILOT, the property would remain unimproved and the tax assessment would continue to be based upon the unimproved value. With the PILOT, the amount listed above as "Estimated Cumulative Increase in Taxes due to PILOT" would be the approximate benefit over the PILOT term to the City and County from newly generated property tax revenue. That amount does not include any new sales taxes that will be generated by the construction and operation of the project. Furthermore, after the PILOT term has finished, it is expected that the annual taxes will be approximate to the amount listed as "Estimated Hypothetical Total Annual Taxes without PILOT".*