



January 15, 2019

Economic Development Division
City of Madison
215 Martin Luth King, Jr. Blvd, 3rd Floor
P.O. Box 2983
Madison, WI 53701-2983

Re: Revised Response to City of Madison RFP for the Development of 1402 S Park Street.

Dear Selection Committee,

Welton Enterprises, Inc. is pleased to provide this revised response to the Request for Proposal for the development of the City of Madison owned property at 1402 S Park Street known as the Truman Olson site. As requested, this proposal outlines information on the development team and project specific detail. We took into consideration the feedback provided by the selection committee, city staff and the neighborhood to put forth an option that meets the needs of the area residents and city goals. In Welton's first response we provided two options and based upon input from stake holders including Dean/SSM have narrowed that down to one option for consideration.

You will note that Welton has provided a general level of detail and we would welcome the opportunity to work with the City, the neighborhood and other stakeholders to provide a first-class development that will have a positive impact for generations. In the following response you will find more information on the conceptually named 'Truman Commons' mixed-use development, including:

- 1) An outline of the development team and description of the team experience,
- 2) A detailed description of one design concept and land use,
- 3) A summary of the proposed financing including the requested proforma and site purchase price,
- 4) The preliminary ownership structure, and
- 5) A description of the potential timeline and major milestones.

Thank you for taking the time to consider working with Welton Enterprises, Inc. on this exciting development project. Please do not hesitate to contact us should you have any further questions on our response outlined below, the development team experience and/or if you need any additional information.

All the Best,

A handwritten signature in black ink, appearing to read 'Paul Molinaro'.

Paul Molinaro
Vice President
Welton Enterprises, Inc.

Development Team

We have put together a highly experienced and capable project team, including:

Respondent/Developer

Welton Enterprises, Inc.

Architect

Knothe & Bruce

Builder

Ideal Builders

Property Management/Compliance

Wisconsin Management Company

Real Estate Consultant

Evergreen Consulting, Inc.

Respondent/Developer – Welton Enterprises, Inc.

Since 1987 Welton Enterprises, Inc. and affiliates' core business has been build-to-suit commercial development with a recent focus on diversifying into new mixed-use/multi-family developments in the metropolitan Madison market. With over 25 principal-owned commercial properties in the portfolio comprising over 1,250,000 square feet and commercial spaces that range from under 5,000 to over 200,000 square feet, we are able to offer our business partners some of the Madison area's finest locations. Leveraging Welton's success in the commercial sector the company has partnered on several new mixed-use projects consisting of 170 apartment units and over 50,000 square feet of commercial space. Welton has also secured additional sites in prime locations that offer options for redevelopment, including the current Pick N' Save site at 1312 S Park Street.

Welton Enterprises, Inc. manages all of the Welton owned commercial assets and management references are available upon request. The principals and employees of the Welton team have combined experience of over 100 years in all aspects of real estate development and management.

Additional information available at: www.buildtosuit.com

Architect – Knothe & Bruce Architects, LLC

Knothe & Bruce is an award-winning architecture and design firm in Madison, Wisconsin. We are currently involved in a wide range of multi-family and mixed-use projects – from historic renovations to modern mid-rise apartments, and from student housing to senior housing campuses. While most of our work is in the Madison area we also work throughout Wisconsin, and in Illinois, Iowa and Colorado. Regardless of the project or locale, we collaborate closely with our clients providing a full range of residential and commercial architectural services.

Since our founding in 1974 we have diligently pursued the best designs and the highest quality construction possible for all of our clients. We bring nearly 40 years of experience to each project that we do. Our 7 licensed architects and 8 staff professionals work collaboratively with our clients to enhance the design and function of the living environments we create. We design for the market, for future residents, and for the community, not for ourselves. We understand the development, realities such as public approvals, market demand, and construction cost. We embrace them in our program and design process. We consider the most important measure of our success is the success of our clients.

Related Projects

Project: The Boulevard
Location: 3326 University Ave,
Shorewood Hills, WI

Completed: 2017

Description: Mixed-use, 4 story development with 12,000 sf of specialty retail and 38 upscale apartments with 38 heated underground parking stalls. The development features a

mix of studios, one bedroom, one bedroom with den, two bedroom and three bedroom apartments with open and contemporary floor plans.

Project: Royster Crossings
Location: 516 Cottage Grove Rd
Madison, WI
Completion: Under construction, to be completed in 2019
Description: Mixed-use development with 17,000 sf of commercial space, 86 apartments, 96 underground parking and 183 surface parking spaces along with a 21,000 sf space for the new Pinney Library. The mixed-use project will have two wings connected by an atrium with the library to be located on the first floor of the west wing.

Additional information available at: www.knothebruce.com

Builder – Ideal Builders Inc.

In the past five years, Ideal Builders has completed over 2,353,678 square feet of interior office buildouts. Over the past five years, Ideal Builders has also completed 923,925 square feet of ground up, expansion or addition to existing buildings. The largest of these projects was 400,000 square feet. Recent projects of note include three- and four-story buildings for Navitus Health Solutions in Grand Chute, the three-story Parmenter Center Building in Middleton and the one-story Waunakee Community Bank in Waunakee.

Our residential experience comes with 181,601 square feet of ground up, addition and renovation work. The standout projects in this category include a four-story remodel to State Street Apartments, a six-story ground up 3Twenty Apartments and a 116 unit renovation and nine-story addition to Roundhouse Apartments.

We currently have multiple office projects under construction totaling 358,402 square feet. Landmark Oaks is a five-story office building overlooking the beltline with views of the Capitol. A new, five-story Navitus Health Solutions office headquarters and two-story Lumicera office building are under construction on the west side of Madison.

Additional information available at: www.idealbuildersinc.com

Property Management/Compliance – Wisconsin Management Company

Wisconsin Management Company, Inc. (WMC) has been in business for over 40 years, providing professional management services to property owners, investors, housing authorities, non-profit housing organizations and financial institutions. The home office headquarters are centrally located in Madison, Wisconsin with hub offices throughout the geographic territories serviced in Wisconsin and Illinois. WMC is a full-service property management firm with expertise in market rate and affordable management, asset management, resort management, construction and development. WMC has a sizable in-house compliance department and services properties with requirements for HUD (Housing and Urban Development), Section 42, Section 8, Section 515 and RD (USDA Rural Development).

WMC takes pride in being an industry leader, providing excellent financial management services, reporting and expense control, using leading software and technology systems to maximize value to owner, user-experience and marketing exposure. WMC manages a portfolio of just over 4000 units and has a depth of staff and knowledge. The company has a sound philosophy regarding property management and a focus on positive attitude and accountability—*“There are no miracles in this business. We get the job done with good common sense and hard work.”* Staff training includes in-house Leadership Programs, training at the Institute of Real Estate Management (IREM), Certified Occupancy Specialist (COS) designations, National Association of Housing and Redevelopment Officials (NAHRO) Certified Public Housing Manager certifications, and Tax Credit Specialist Certification (TSC). Members of our team currently sit on boards or committees of the local chapter of IREM, The Apartment Association of South Central Wisconsin (AASCW), Movin’ Out and the Wisconsin Council for Affordable and Rural Housing (WI-CARH). WMC is a founding member of WI-CARH.

Lease ups within the past 5 years include:

Tribeca I & Tribeca II

Middleton Station

Lake Edge

Brody Townhomes rehab

West End I & West End II

The Bay Lofts

Nichols Station historic rehab

Tax Credit Properties currently operated and/or developed:

Cannery Row

Crown Ridge

Millview

Village Plaza

DCHR—Dane County Housing Authority Rehabs Verona/DeForest/Stoughton

Eagle Harbor

Elburn

Oswego

Other Madison Market multifamily properties for reference:

Park House

Briarwood

Park Tower

Cardinal

Yahara

Additional information available at: www.wisconsinmanagement.com

Real Estate Consultant – Evergreen Consulting, Inc.

Joseph Schwenker will be providing a variety of real estate related input into the development with an emphasis on the economics and deal structuring elements related to the tax credit component of the project. Mr. Schwenker has over 25 years of tax credit experience and in the past three years has been involved in tax credit projects such as Layton Square (57 units Cudahy WI), Fox Crossing (34 units in Burlington WI), Willis Apartments (38 units in Perry IA). In addition, he is involved in the following tax credit developments currently under construction: Novation Senior Apartments (60 units Town of Madison), Fulton Commons (40 units in Fulton IL) and VMC Lofts (60 units in Kenosha, WI). Mr. Schwenker served as the Project Consultant for Gorman & Company on the Union Corners project located in Madison. In this capacity he worked closely with the city staff, elected officials and neighborhood groups on areas such as master planning, land purchase, TIF and entitlements.

Additional Team Members

As the project progresses the Developer will bring additional team members on board that are highly experienced in this type of mixed use development with a workforce/affordable housing component including Mike Kendhammer with SVA for accounting/financial and Katie Rist from Foley & Lardner for legal.

Design Concept/Land Uses

The Development Team spent a considerable amount of time analyzing development options and provided two design concepts with the first submittal. The initial concepts for Truman Commons incorporated the information contained in the Wingra Creek BUILD plan, the RFP from the City of Madison and the numerous meetings with various stakeholders and city staff.

In preparing one revised concept, the team took into consideration the feedback provided by the city, neighborhood and selection committee. We believe this revised concept for the proposed Truman Commons development meets the long term needs of the neighborhood and achieves city housing goals. We look forward to working with all stakeholders to create a development that will provide a positive long-term benefit to the community.

The Development of The Truman Olson Site

The overall development concept includes a full-service grocery store and affordable/workforce housing.

- An approximately 40,355 square foot full service grocery store located on the Park Street frontage,
- 119 stalls of surface parking dedicated to the grocery store,
- 69 units of workforce housing including market rate and affordable apartments and townhomes (totaling 85,000 square feet) to provide a diversity of housing options located in one 5-story building near the rear of the site, and
- 81 stalls of parking dedicated (including underground parking) to the workforce/affordable housing.

Financing

The financing for Truman Commons will require numerous sources of capital. The proforma included provides additional detail with the following description of the different components of the capital stack.

Grocery

The financing for this portion of the project will include:

- 1) Conventional construction financing,
- 2) Equity from Welton entities to meet TIF regulations and bank ratios,
- 3) Tax Incremental Financing, and
- 4) Long term conventional/institutional debt.

Workforce/Affordable Housing

The financing for this portion of the project will include:

- 1) An application to WHEDA for the competitive 9% tax credits,
- 2) An application for funds from the City of Madison Housing Trust Fund,
- 3) An application for funds from the Dane County Affordable Housing Fund,
- 4) Other potential programs specific to workforce/affordable housing including AHP,
- 5) Tax Incremental Financing to offset underground parking and other eligible costs with more detail provided in the proforma,
- 6) Deferred developer fee, and
- 7) Conventional non-recourse debt.

Tax Incremental Financing

Tax Incremental Financing will be an integral part of this development to fund the GAP the Developer has in the project due to the underground parking cost, potential soil issues, financial capability to attract a full-service grocery store and other costs that are more further defined in the proforma and will be more detailed during due diligence. The amount of the TIF funding will meet the “but for” test and be structured pursuant to City policies.

Other Programs

Based on due diligence and further project planning Developer may seek additional funding sources including but not limited to Wisconsin Economic Development Authority Brownfield Grant and Site Assessment Grant; Federal Home Loan Bank Affordable Housing Program; and HOME Funds. However, we have not included these potential sources in this response as these sources are speculative in nature. The Developer commits to attempting to access alternative financial sources in an effort to reduce the amount of TIF request.

Infrastructure Costs

This proposal assumes a shovel ready site as described in the RFP and as such all infrastructure/road (including new road construction for the extension of Cedar Street and Park Street intersection improvements) would be provided by the City of Madison.

Overall Economic & Social Impact

Truman Commons will provide a substantial economic and social impact to the City of Madison and the neighborhood in several ways, including but not limited to:

- 1) Job creation - the Developer anticipates the project will create 110 construction jobs and the full-service grocery store will provide additional jobs (full & part time).
- 2) Tax base – this project will provide a substantial increase in tax base of approximately \$11 million.
- 3) Infrastructure improvements – as part of this project the City of Madison will be able to implement long term infrastructure goals in a way that is more efficient than previously planned.
- 4) Housing options – this project will provide much needed affordable/workforce housing options to serve nearby and downtown employers that can be easily accessed via public transportation.

- 5) Grocery store commitment – a long term commitment from a full-service grocer will provide a needed service to existing residents and an added amenity to attract new residents to live in the nearby neighborhoods.

Financing Experience

Mr. Schwenker has substantial experience in Low Income Housing Tax Credit financing and alternative financing sources including, but not limited to, HOME Funds, AHP grants, Brownfield grants and historic tax credits. In addition, Welton Enterprises, Inc has numerous commercial lending relationships and has completed conventional and institutional financing totaling over \$50 million in the past 24 months.

Ownership Structure

If awarded, Truman Commons will be developed by Welton Enterprises, Inc. on behalf of a to-be-formed entity that will own the asset within the Welton portfolio of entities. The site would be purchased by the Developer from the City of Madison on a fee simple basis. The Developer's model is to develop and hold for the long term. Many assets in the portfolio have been owned and managed for 20+ years and the intention would be to hold this asset for the long term (the tax credit component will be owned by the developer for a minimum of the 15-year compliance period).

The project would be comprised of two pieces. One piece would consist of the workforce housing and a second piece would consist of the grocery store. The workforce housing would be jointly owned by the Developer and the tax credit investor. The grocery store would be owned by the Developer.

It is planned that Wisconsin Management Company will be retained as the property management and compliance company for the project (including both the market rate residential and tax credit components).

Process/Timeline

There are several critical components driving timelines. To construct the workforce/affordable housing units the Developer will need to apply for and secure tax credits which have an application deadline of December 2019. To apply for tax credit award in 2020 the Developer would need to have site control and allowable zoning among other pertinent factors no later than November 2019 but preferably sooner. The Developer is uncertain how long the current grocery store will remain in operation and to avoid as much downtime as possible in grocery service to the neighborhood the Developer would suggest moving forward quickly.

The Developer would break ground after receiving the tax credit award in spring of 2020 with a 10-month construction timeline for the grocery store and 12-month construction timeline for the workforce/affordable housing. Projected opening targeted for late winter/early spring 2021.

Critical Project Milestones:

- 1) Revised RFP submittal 1/19
- 2) RFP award 2/19
- 3) PSA/Developer Agreement executed 5/19-6/19 (needed to meet WHEDA site control requirement; closing date needs to account for timing outlined below)
- 4) TIF approval/council resolution 7/19-8/19 (needed for Financial Participation points)
- 5) Rezoning 7/19-8/19 (only to the extent needed to meet Permissive Zoning requirement for WHEDA scoring)
- 6) Site Due Diligence and Entitlements – 8/19-11/19
- 7) WHEDA award 2/20
- 8) Closing 3/20
- 9) Construction Start 3/20
- 10) Construction Completion 1/21-3/21
- 11) Grocery opens 1/21-3/31
- 12) Multifamily lease-up 3/21-9/21
- 13) Stabilization and project close-out 9/21

Financing Market

The financing market is changing rapidly with rates continuing to increase. The longer the timeline on this project, the more interest rate pressure and risk. To avoid this risk and ensure a successful project, the Developer is requesting to move quickly.

Marketing Approach/Plan

Theme:

A New Neighborhood! A pleasant blend of workforce housing in a walkable “Live, Work, Play” community with large grocery store on site, nearby public library, Penn Park and restaurants, featuring underground parking and on a bus line. Spend time at home with family and friends and enjoy all the area has to offer!

- **Leasing office:** Locate in job trailer or nearby available storefront for pre-leasing activities 120 days prior to scheduled occupancy date. Displays include finish boards, easels with unit plans, floor plans, amenity listings, neighborhood features and more. Move office to permanent location on site as soon as occupancy permit allows.
- **Model units:** Locate in buildings as soon as allowable for tours. Models to include fully furnished models and mini-models. Furnish models with assistance of local furniture vendors for cross-marketing opportunities if available.
- **Staff:** Manager to be hired 180 days prior to opening to conduct and organize marketing activities as outlined below for 30 to 60 days prior to staffing leasing office.
- **Responsiveness:** Respond to all inquiries as quickly as possible via phone and email. Schedule personal tours as quickly as possible from first point of contact. Follow up within 24 hours of first touch point.
- **Signage:** (site and high traveled areas) advertising housing.
- **Internet marketing:** Zillow and partner affiliate sites (free), Craig’s list (free), Apartments.com, Apartmenthomeliving.com. Post progress photos with interior shots being updated continuously and video link to virtual tours.
- **Website:** WMC Website, Property Specific Website through Yardi RentCafe.
- **Press releases:** Wisconsin State Journal, Cap Times, Isthmus, In Business Magazine.
- **Local Employers:** Preferred Employer Discount Program for large and small area employers including St. Mary’s, Meriter, University of Wisconsin-Madison, Sub-Zero, WPS Health Insurance, EPIC, Dean Health System, GE Healthcare, Zimbrick, MG&E and BMO Harris Bank.
- **Local Marketing:** Brochures hand-delivered to local businesses, gather materials for move in packets and promo area businesses to prospects/residents.
- **Unique Marketing/Outreach to Neighborhood Groups:** Madison and Monona Chambers of Commerce, Madison and Monona Senior Centers and South Madison Coalition--Elderly, Realtor Referral Program, Non-Profits including Dane County Housing Authority (DCHA), Wisconsin Women’s Business Initiative Corp. (WWBIC), Community Action Coalition (CAC) – Dane County, YWCA, The American Red Cross, The Road Home, Rainbow Project, Catholic Charities of Madison, Movin’ Out, Madison Urban Ministry, Bay Creek Neighborhood Association, Burr Oaks Neighborhood Association, Bram’s Addition Neighborhood Association, Our Lady of Hope Clinic, public schools, MATC, fire and police departments and Section 8 Walking Voucher Program.
- **Social Media:** Property Facebook page, Instagram posting (chart progress, highlight available units), WMC Linked In page and website newsletters/blog-newsfeed.
- **Open Houses:** Day, Evening and Weekend.
- **Public Events:** Public project presentations at the library, distributions of community introductory flyers throughout the neighborhood, Site Celebration to heighten public awareness during construction, Specific event geared to elected officials.
- **Move In Event:** Hire staff/temps to be on hand for big move in days at community opening and move people in! Carry in boxes and furniture, haul away trash, provide pizza/soda/beer for residents and their helpers to make moving day fun!
- **Grand Opening/Ribbon Cutting:** For residents and public. Involve City and Chamber and local businesses.

Occupancy Goals

Truman Commons should lease quickly due to location, amenities and housing demand in the market.

- Goal: Open with 50% of units leased
- Goal: 60 days after opening 67% of units leased
- Goal: 90 days after opening to 77% of units leased
- Goal: 120 days after opening to 88% of units leased
- Goal: 150 days after opening to 100% of units leased

Set up Resident Social Activities

- Pot lucks
- Ice cream socials
- Ice cream drink socials
- Movie nights
- Game and card nights
- Crafts for kids
- Cartoon mornings for kids on weekends
- Book clubs for teens and adults
- Coffee clutches
- Walking Club
- Biking Club
- Volunteer Activities in neighborhood and beyond

Daily Details

- You never get a second chance to make a first impression!
- Pull random weeds to maintain immaculate grounds
- Pick up all trash and cigarette butts on the property
- Trash inside the dumpsters, not overflowing, low or no odor
- Debris free sidewalks from free rocks/sand/leaves
- Strict adherence to screening criteria ensures property maintains a good reputation and strong resident base
- Practice excellent customer service and practice of quick response time
- Pay attention to individual prospects and residents, surprising little acts of kindness throughout their stay to make them feel important

Exhibit A

Site Plans

(Additional design work in progress)



Exhibit A

Site Plans

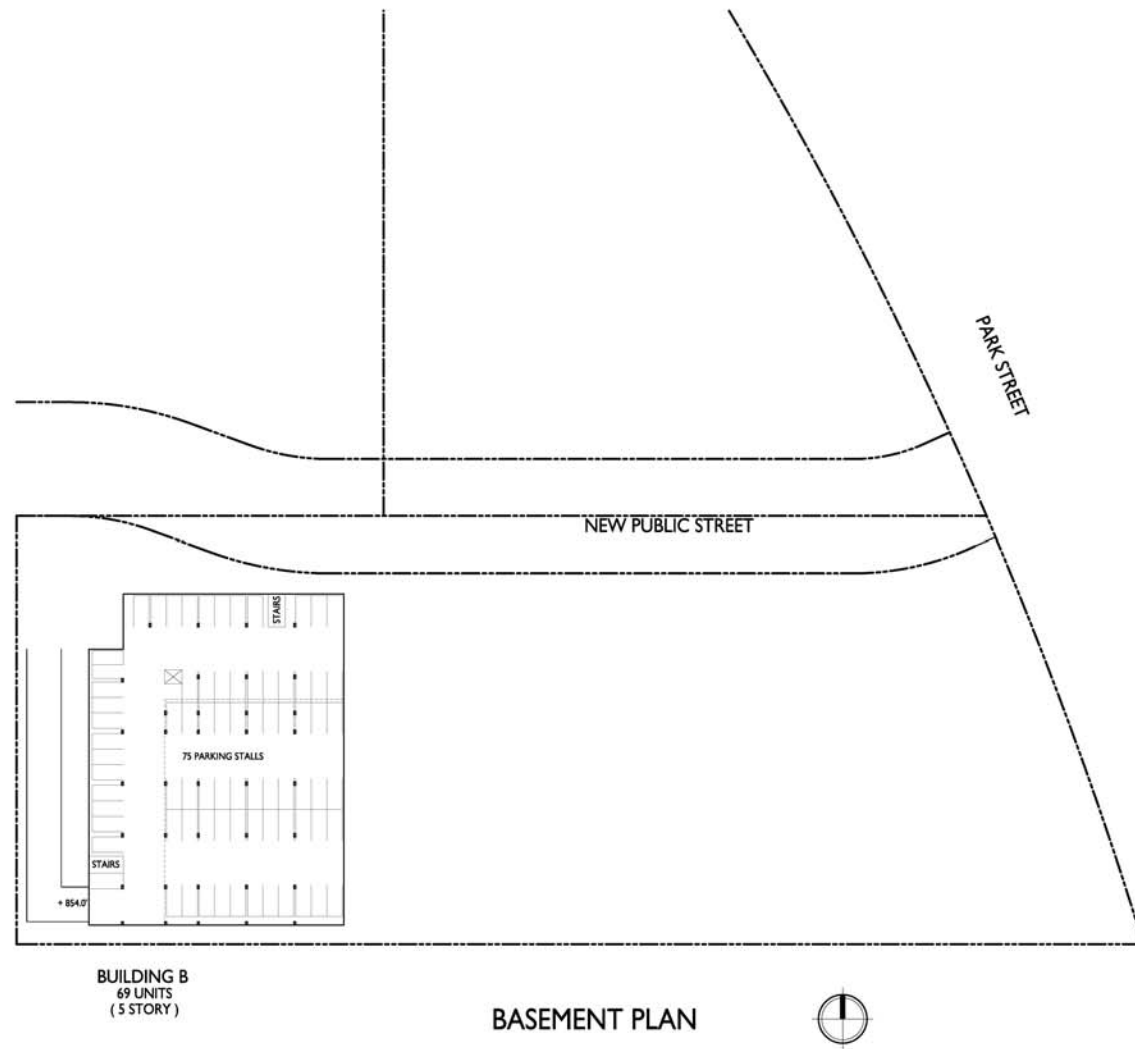


Exhibit A

Site Plans

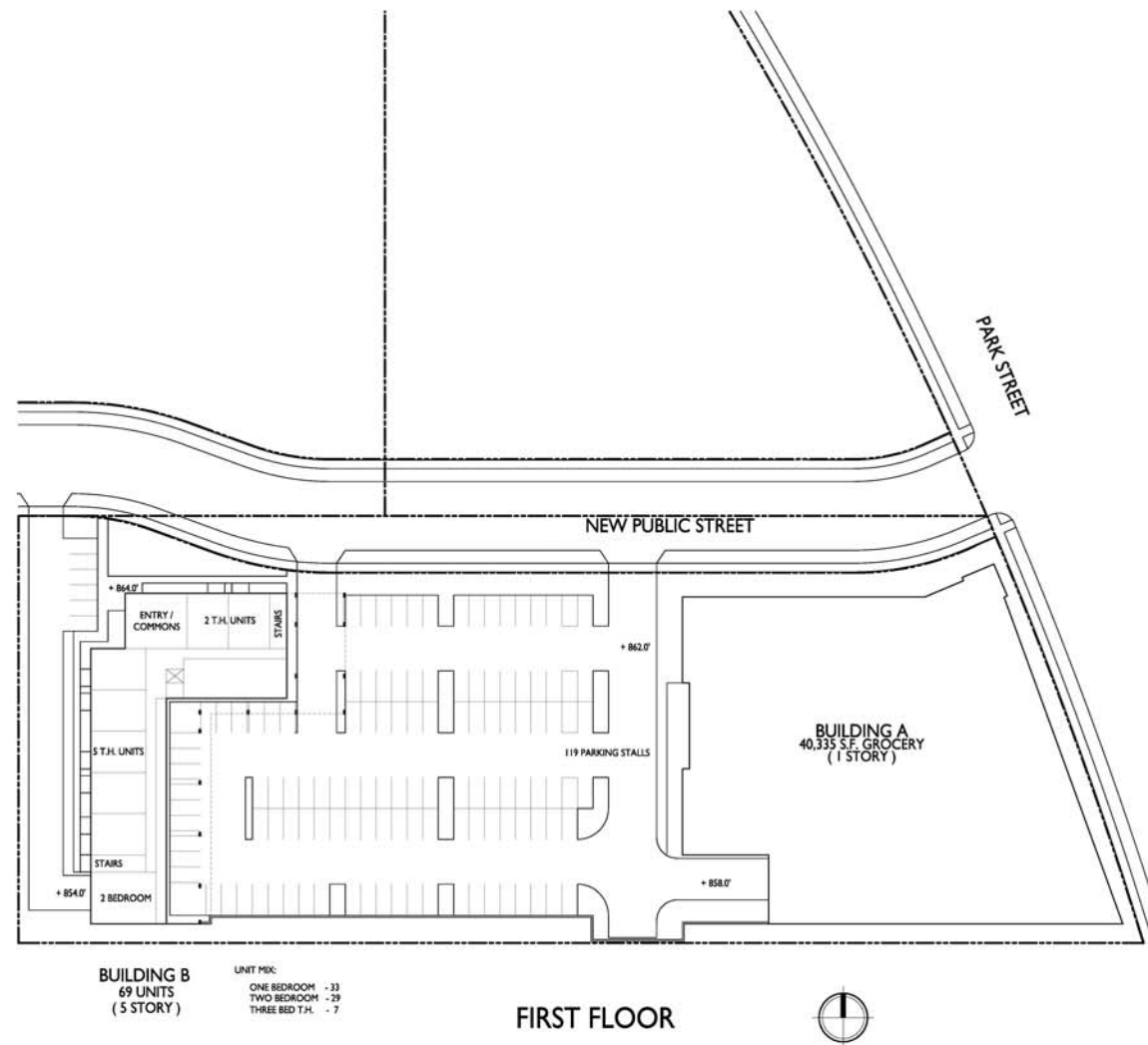


Exhibit A

Site Plans

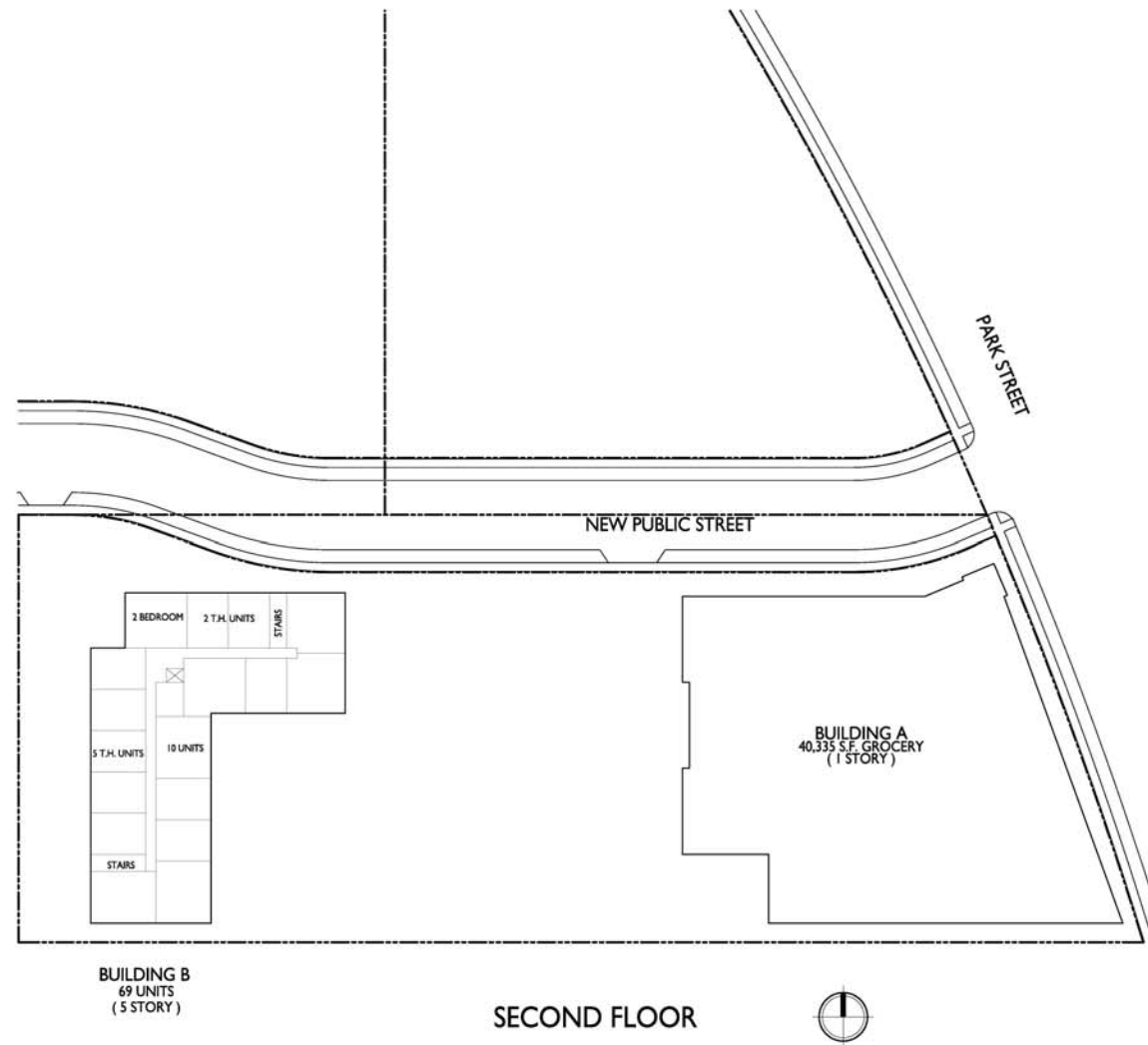
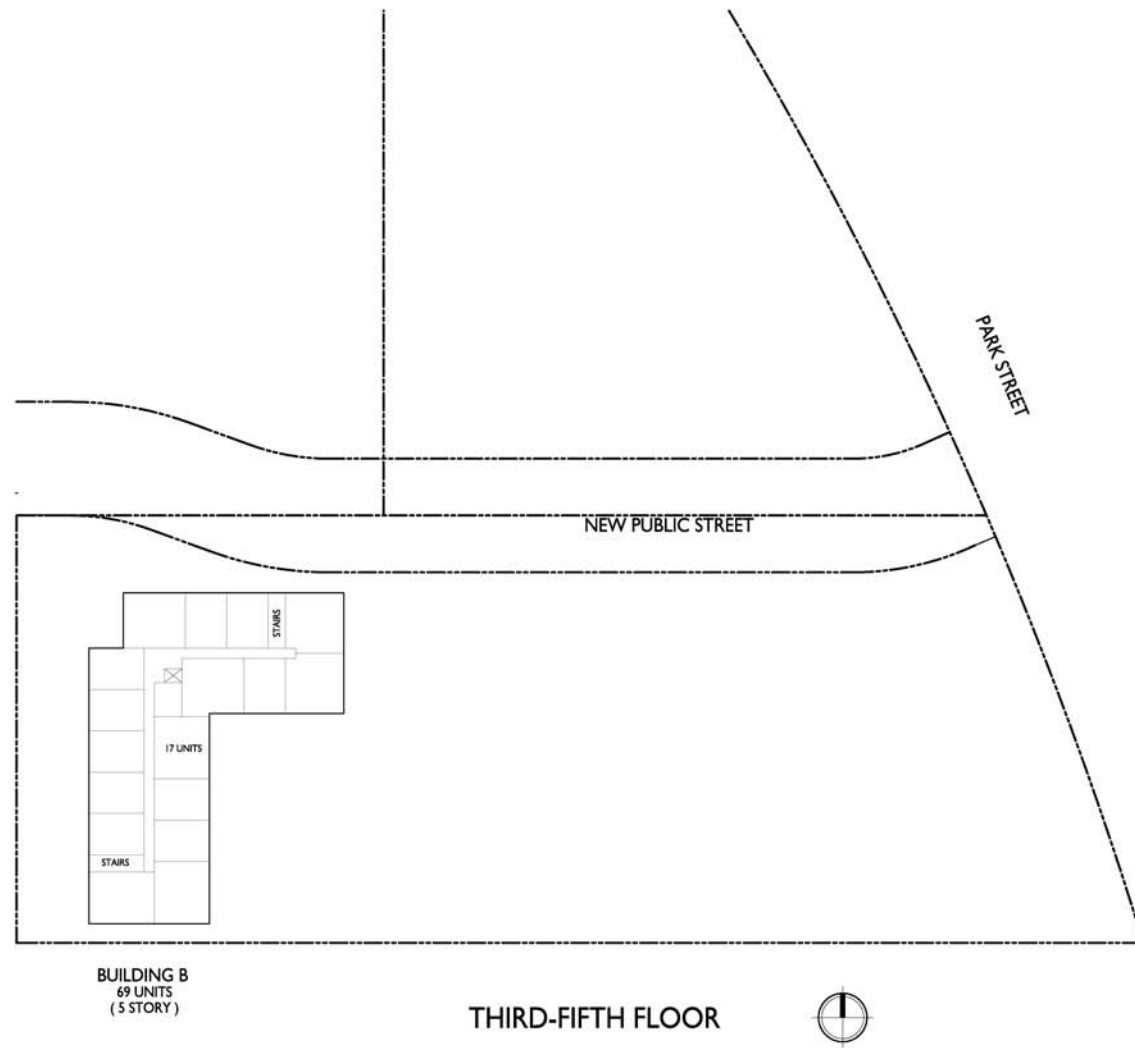


Exhibit A

Site Plan





APPLETON ROAD

SOUTH STREET

NEW PUBLIC STREET

PARK STREET

CEDAR STREET

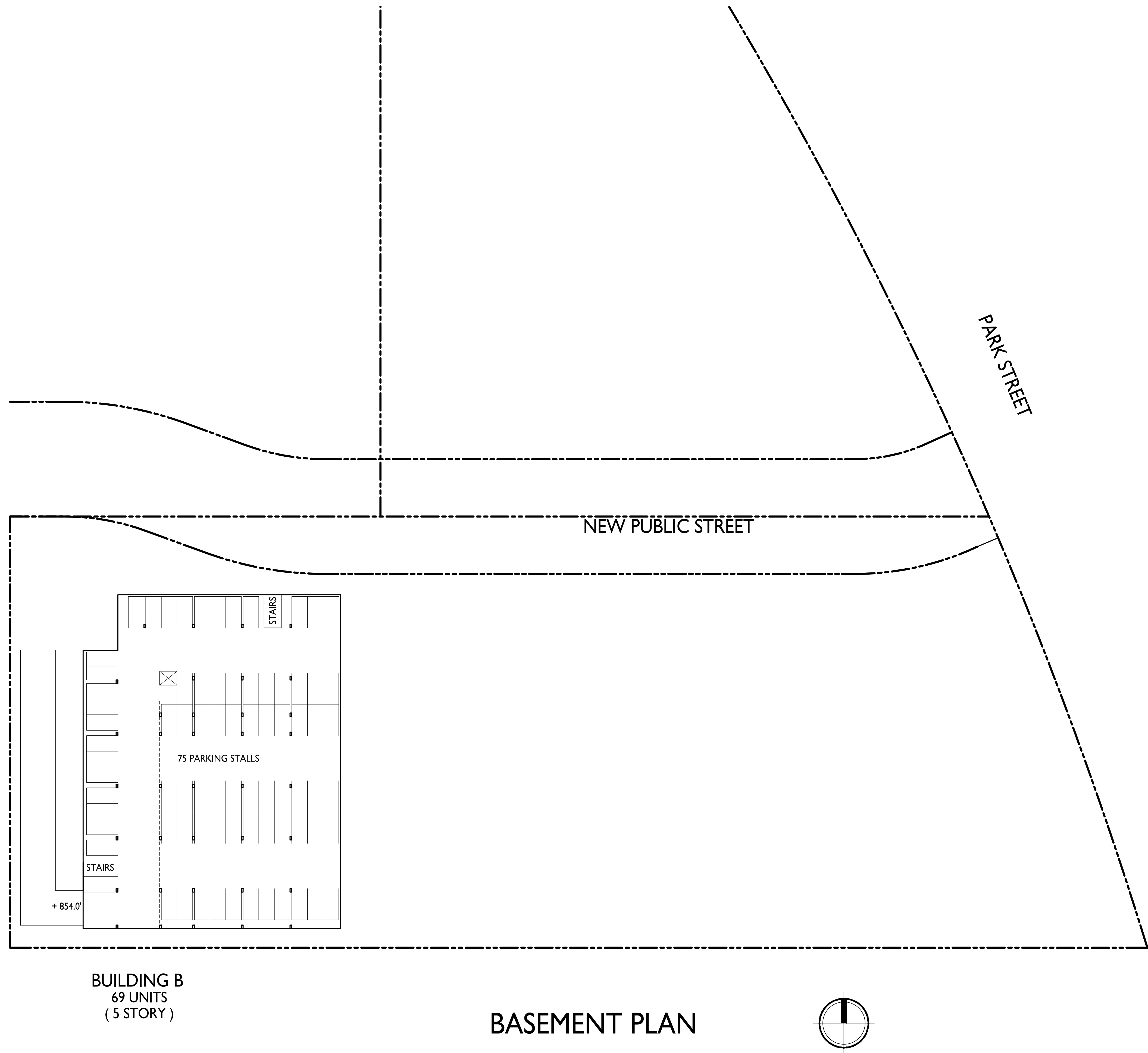
BELD STREET

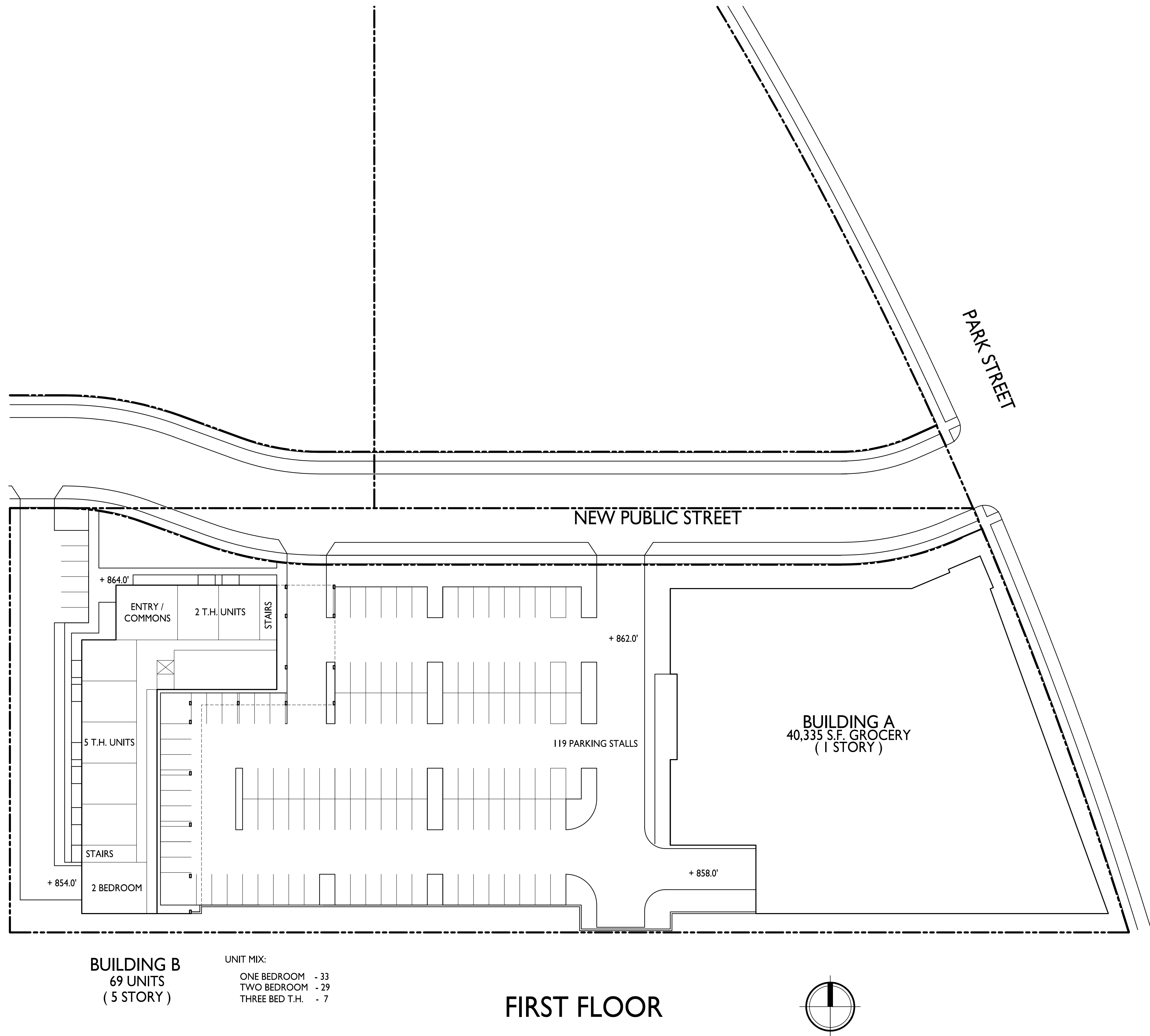
BUILDING B
69 UNITS
(5 STORY)

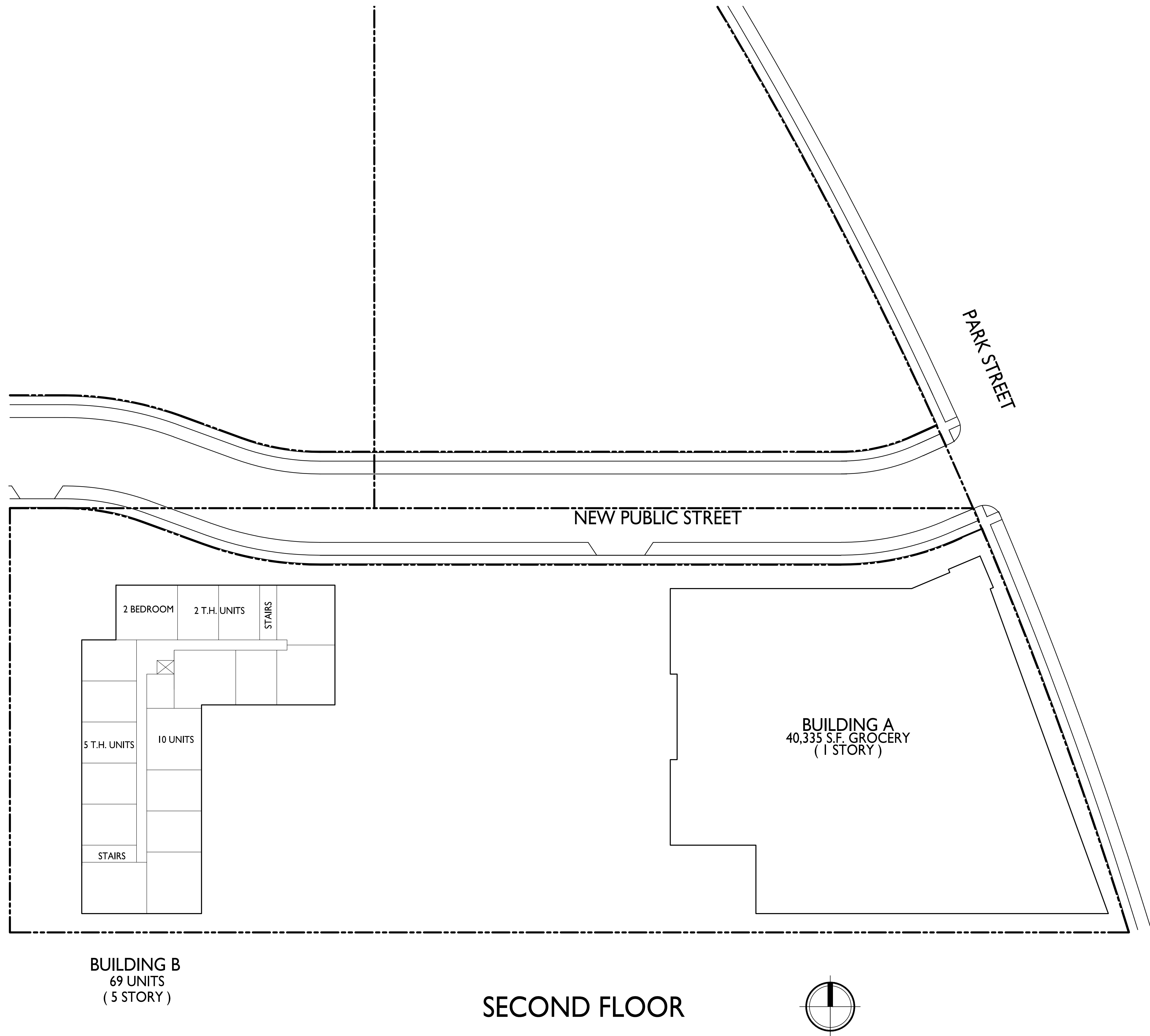
BUILDING A
40,335 S.F. GROCERY
(1 STORY)

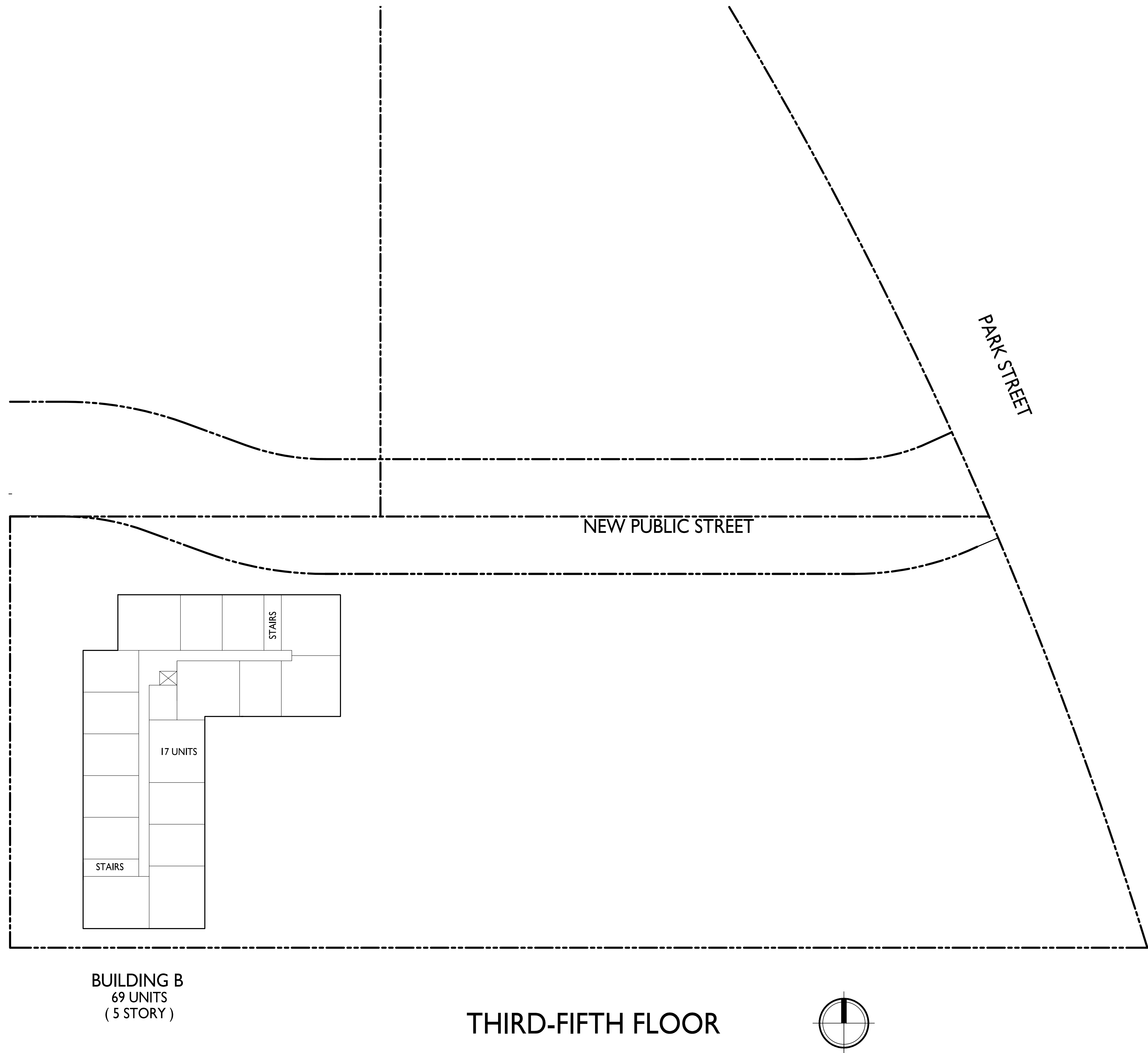
119 PARKING STALLS

+ 864.0'
ENTRY COMMONS
274 UNITS
STAIRS
+ 854.0'
2 BEDROOM











January 15, 2019

Economic Development Division
City of Madison
215 Martin Luth King, Jr. Blvd, 3rd Floor
P.O. Box 2983
Madison, WI 53701-2983

Re: Financial Documents for **Revised** Response to 1402 S Park Street Development RFP

Dear Selection Committee,

Enclosed you will find the requested financial documents:

- 1) Cash Flow and Sources & Uses for the Affordable/Workforce Housing Component (blue headers).
- 2) Proforma and Sources & Uses for the Grocery Component (green headers).
- 3) These documents describe the proposed purchase price of \$1,200,000 (split evenly between the grocery and housing components) and other pertinent factors. As noted in the RFP response the purchase price assumes the road, intersection improvements and other costs are the City's responsibility and the Developer is purchasing a shovel ready site. Alternatively, the purchase price can be reduced by the costs of the road, intersection improvements and other costs that would be assessed to the Developer. We would welcome further discussion on this to find a mutually beneficial way to accomplish this development.

Please let us know if you would like any additional information.

All the Best,

A handwritten signature in black ink, appearing to read 'Paul Molinaro'.

Paul Molinaro
Vice President
Welton Enterprises, Inc.

Truman Commons Workforce/Affordable Cash Flow

INFLATION		1.02	1.03				
YEAR	INCOME	EXPENSE	NOI	1ST	CASH	DCR	CASH
1	736,627	413,065	323,562	280,590	42,972	1.15	42,972
2	751,359	425,457	325,903	280,590	45,313	1.16	45,313
3	766,387	438,221	328,166	280,590	47,576	1.17	47,576
4	781,714	451,367	330,347	280,590	49,757	1.18	49,757
5	797,349	464,908	332,440	280,590	51,851	1.18	51,851
6	813,296	478,856	334,440	280,590	53,850	1.19	53,850
7	829,562	493,221	336,340	280,590	55,751	1.20	55,751
8	846,153	508,018	338,135	280,590	57,545	1.21	57,545
9	863,076	523,258	339,817	280,590	59,228	1.21	59,228
10	880,337	538,956	341,381	280,590	60,792	1.22	60,792
11	897,944	555,125	342,819	280,590	62,230	1.22	62,230
12	915,903	571,779	344,124	280,590	63,535	1.23	63,535
13	934,221	588,932	345,289	280,590	64,699	1.23	64,699
14	952,906	606,600	346,306	280,590	65,716	1.23	65,716
15	971,964	624,798	347,166	280,590	66,576	1.24	66,576
16	991,403	643,542	347,861	280,590	67,271	1.24	67,271
17	1,011,231	662,848	348,383	280,590	67,793	1.24	67,793
18	1,031,456	682,734	348,722	280,590	68,132	1.24	68,132
19	1,052,085	703,216	348,869	280,590	68,279	1.24	68,279
20	1,073,126	724,312	348,814	280,590	68,225	1.24	68,225

Truman Commons Workforce/Affordable Sources & Uses		
SOURCES		
LIHTC EQUITY	9,250,000	
1ST MORTGAGE	3,900,000	
TIF PROCEEDS	500,000	
MADISON AFFORDABLE	1,575,000	
DANE COUNTY/AHP	300,000	
TOTAL 3RD PARTY	15,525,000	
DEFERRED FEE	253,884	
TOTAL SOURCES	15,778,884	
TOTAL USES	15,797,247	
SURPLUS/(GAP)	-18,363	

ITEM	TOTAL	9% BASIS	4% BASIS
LAND	600,000	0	0
EXISTING STRUCTURE	0	0	0
SITE WORK	444,284	444,284	
LANDSCAPING	0	0	
OTHER CONSTRUCTION	11,171,803	10,571,803	
SUBTOTAL CONST	11,616,087	11,616,087	
HARD CONTINGENCY	580,804	580,804	
GENERAL REQUIREMENTS	Inc. Above	Inc. Above	
OVERHEAD	Inc. Above	Inc. Above	
PROFIT	Inc. Above	Inc. Above	
TOTAL GMP	12,196,891	12,196,891	
ARCHITECT - DESIGN	225,000	225,000	
ARCHITECT - SUPERVISION	0	0	
BUILDING PERMIT	5,000	5,000	
STATE PLAN REVIEW	3,500	3,500	
BUILDER'S RISK INSURANCE	20,000	20,000	
LABOR AND PERFORMANCE BOND	0	0	
CIVIL/ALTA	22,000	22,000	
ENGINEERING TOPO	2,500	2,500	
ENGINEERING GEO	5,000	5,000	
CONST INSURANCE	10,000	10,000	
CONST INTEREST	242,046	242,046	
CONSTRUCTION LOAN FEE	85,000	85,000	
CONSTRUCTION LOAN LEGAL	10,000	10,000	
CONSTRUCTION MONITORING	20,000	20,000	
PERM LOAN FEE	10,000	0	
PERM LOAN LEGAL	10,000	0	
CONST LOC	36,591	36,591	
CONST PERIOD RE TAX	10,000	10,000	
IMPACT FEES	50,000	50,000	
RELOCATION EXPENSES	0	0	
APPRAISAL	5,000	5,000	
MARKET STUDY	5,000	0	
CAPITAL NEEDS	0	0	
ENVIRONMENTAL	2,500	2,500	
CONSTRUCTION SURVEY	5,000	5,000	
COMPLETION SURVEY	5,000	0	
RENT UP MARKETING	25,000	0	
GREEN BUILT CERTS	4,830	4,830	
WHEDA APP	2,000	0	
WHEDA COMPLIANCE FEE	5,000	0	
WHEDA CREDIT FEE	20,000	0	
COST CERT	15,000	15,000	
TITLE/RECORDING	10,000	10,000	
FF&E	40,000	40,000	
LEGAL - MISC	10,000	10,000	
LEGAL - REAL ESTATE	10,000	10,000	
SOFT CONTINGENCY	10,000	10,000	
PARTNERSHIP LEGAL	20,000	0	
TAX OPINION	0	0	
TRANSITION RESERVE	0	0	
OPERATING RESERVE	206,533	0	
DEBT SERVICE RESERVE	140,295	0	
DEVELOPER FEE	1,692,562	1,692,562	
TOTAL SOFT	3,000,356	2,551,529	
TOTAL COSTS	15,797,247	14,748,420	0

Truman Commons PROFORMA - Grocery

Year	1	2	3	4	5	6	7	8	9	10
Revenue	786,922.50	802,660.95	818,714.17	835,088.45	851,790.22	868,826.03	886,202.55	903,926.60	922,005.13	940,445.23
Less: Commercial NNN Expenses	(221,952.50)	(226,391.55)	(230,919.38)	(235,537.77)	(240,248.52)	(245,053.49)	(249,954.56)	(254,953.66)	(260,052.73)	(265,253.78)
NOI	564,970.00	576,269.40	587,794.79	599,550.68	611,541.70	623,772.53	636,247.98	648,972.94	661,952.40	675,191.45
Less: Misc. Partnership Expenses	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)
Less: Debt Service	(423,570.42)	(423,570.42)	(423,570.42)	(423,570.42)	(423,570.42)	(423,570.42)	(423,570.42)	(423,570.42)	(423,570.42)	(423,570.42)
Cash Flow*	136,399.58	147,698.98	159,224.37	170,980.27	182,971.28	195,202.12	207,677.57	220,402.53	233,381.98	246,621.03
Equity	1,811,788									
Return on Equity	7.53%	8.15%	8.79%	9.44%	10.10%	10.77%	11.46%	12.16%	12.88%	13.61%

					Total
<u>Commercial</u>	<u>SF</u>	<u>Rent/SF</u>	<u>NNN</u>	<u>Gross Rent</u>	<u>Annual Rent</u>
Grocery	40,355	\$14.00	\$5.50	\$19.50	\$786,922.50
				Subtotal	\$786,922.50

Total Revenue \$786,922.50

Truman Commons

Grocery Sources & Uses

Other Assumptions

Hard Cost

	<u>Grocery</u>
Land Cost	600,000
Site Work	444,284
Grocery Shell	4,640,825
Grocery TI	807,100
Construction Mgmt	25,000
Contingency/Misc	195,516
Parking Structure	872,525
Hard Cost Subtotal	<u>7,585,250</u>

Soft Costs

	<u>Total</u>
Permanent Finance Fees (1 pt)	60,000
Legal	50,000
Design & Engineering	150,000
Construction Interest	175,000
Construction Loan Costs (1/2)	26,000
Commercial Brokers Fees	341,631
Misc. & Reserve Account	100,000
Soft Costs Subtotal	<u>902,631</u>

Hard and Soft Cost Subtotal 8,487,881

Development Fee 509,273

Total Development Cost 8,997,154

Less: TIF (1,750,000)

Cost Less TIF 7,247,154

Mortgage Assumptions

Equity	1,811,788
Loan AMT	5,435,365
AM	25
I/YR	6.08%
PMT	35,298
Annual PMT	423,570

Sources of Equity

Welton Equity	<u>1,811,788</u>
Total Equity	<u><u>1,811,788</u></u>