

# Sealed Submission

---

- k) Explain the financial strategy (including sources and uses of funds) and demonstrate project feasibility. If utilizing New Market Tax Credits or other financial assistance programs, indicate team's experience with these financing methods.**
1. See enclosed proforma
  2. Bank will hold a first mortgage of 70 – 75%
  3. Remaining capital from the Developer and his investors
- l) Estimate of Value Calculations:** (est. \$100,000 per apartment x 249 apartments) + (\$165 x 35,000 sf) + (\$165 x 30,000 sf of retail space) + Land Value = \$36.6 million estimate.
- m) Estimate of Annual Property Tax Payments (life of TIF):** The total annual impact may be in the range of \$40 million in local income; \$2,268,000 in local annual taxes; and 182 jobs. (There's also the added impact of the sales tax on the construction materials, or about \$1 million more during construction.)
- n) Details of potential City TIF investments:** Approximately \$4 million in TIF, with the final number to be worked out with city staff. (We may seek New Market Tax Credits, but this project is not dependent upon securing those credits.)
- o) Payback of City TIF Investments:** Estimated 7 years using the city's 7% rate.
- p) Developer Guarantee Proposals:** To be negotiated with the city if selected.
- q) Terms of TIF investment:** Standard city terms but without the equity payback.
- r) Financing component breakdown (e.g. by building):** The entire project will be financed together (not by building); 4% interest rate, 20 or 25 year amortization, 5 to 7 initial term, 70% to 75% Loan to Value, through probably Associated Bank. We are NOT seeking any WHEDA financing or subsidies.
- s) Sources of funds and potential commitments:** Debt from Associated Bank or other banks; equity from Wall and his investor group.
- t) Uses of Funds and basis of cost estimates:** See proforma.
- u) Monthly cash flows for first three years:** after 24 months of construction and after another six or nine months of lease up, cash on cash returns of approximately 6% to 7% assuming TIF.
- v) Annual Cash flows for term of TIF or minimum 10 years.** See proforma.
- w) The purchase price, any request for City financial assistance, and any related financial information must be sealed in a separate envelope and clearly labeled with the development team or proposal's name. This information should either be excluded from digital submissions or flash drive/CD or clearly identified as a separate document.**

## East Washintong Mix-Used Project Proforma

		Date Revised		2/11/2013	
<b>Project Profile</b>					
		<b>Total</b>	<b>Building 1</b>	<b>Building 2</b>	<b>Building 3</b>
<b>Building Height:</b>					
<b>Densities:</b>					
	Floor Area	<b>260724</b>	147600	90324	22800
	Below Grade Area	<b>91050</b>	50000	30050	11000
	Lot Area (SF, Acre)				
	Dwelling Unit				
	Lot Area/Unit				
	Density (Unit/Acre)				
<b>Unit Mix</b>					
	Floor Area	<b>262613</b>	147475	80983	34155
	Studio	<b>125</b>			
	1 BD/ 1 Bath	<b>125</b>			
	2 BD/ 2 Bath	<b>20</b>			
	Total	<b>270</b>	130	95	24
	Total Beds				
<b>Roof Garden:</b>					
<b>Floor Area:</b>					
	Gross Floor Area(SF)				
	Floor Area Ratio				
<b>Floor Area:</b>					
	Grocery Store	<b>33904</b>	33904	0	0
	Retail	<b>27025</b>	3000	14125	9900
	Total	<b>60929</b>	36904	14125	9900
<b>Vehicle Parking Stalls:</b>					
	Surface				
	Underground		50538	31034	11385
	Total	<b>249</b>			
	Ratio				
<b>Bicycle Parking Stalls:</b>					
	Surface				
	Underground				
	Total	<b>To Be Determined</b>			
<b>Others:</b>					
	Storage Unit	<b>100</b>	50	35	15

# Proforma

## East Washintong Mix-Used Project Proforma

Date Revised 2/11/2013

### Financial Summary

#### Sources and Uses of Fund

Sources	Uses	Note
Loan-to-value	Purchase Building and Land	\$90,000 Per door for Apartment
Developer Fee Contribution	Construction/Hard Costs	\$125 per SF for Commercial
TIF Contribution	SoR Costs	\$50 per sf for Tis
TIF Grant@3.25%	Reserves	
<b>Total External Equity Needed</b>		
<b>Total Sources</b>	<b>Total Uses</b>	

#### Operating Budget

Year	Assumed Expense and Revenue Growth Rate: 3%										
	1	2	3	4	5	6	7	8	9	10	11
<b>Revenue</b>											
Apartment Rent Revenue	\$ 3,526,225	\$ 3,632,012	\$ 3,740,972	\$ 3,853,201	\$ 3,968,798	\$ 4,087,861	\$ 4,210,497	\$ 4,336,812	\$ 4,466,917	\$ 4,600,924	\$ 4,738,952
Commercial Rent Revenue	\$ 1,174,616	\$ 1,188,615	\$ 1,202,894	\$ 1,217,459	\$ 1,232,315	\$ 1,249,934	\$ 1,310,390	\$ 1,326,156	\$ 1,342,236	\$ 1,358,639	
<b>Total</b>	\$ 4,700,841	\$ 4,820,627	\$ 4,943,867	\$ 5,070,661	\$ 5,201,113	\$ 5,382,795	\$ 5,520,888	\$ 5,662,968	\$ 5,809,153	\$ 5,959,563	
<b>Expenses</b>											
Rent Expenses	\$ 36,000	\$ 37,080	\$ 38,192	\$ 39,338	\$ 40,518	\$ 41,734	\$ 42,986	\$ 44,275	\$ 45,604	\$ 46,972	
Administrative Expenses	\$ 545,556	\$ 561,923	\$ 578,780	\$ 596,144	\$ 614,028	\$ 632,449	\$ 651,422	\$ 670,965	\$ 691,094	\$ 711,827	
Utility Expenses	\$ 211,200	\$ 217,536	\$ 224,062	\$ 230,784	\$ 237,707	\$ 244,839	\$ 252,184	\$ 259,749	\$ 267,542	\$ 275,568	
Operating and Maintenance Expenses	\$ 460,346	\$ 474,157	\$ 488,382	\$ 503,033	\$ 518,124	\$ 533,668	\$ 549,678	\$ 566,168	\$ 583,153	\$ 600,648	
Tax and Insurance Expenses	\$ 986,000	\$ 1,015,580	\$ 1,046,047	\$ 1,077,429	\$ 1,109,752	\$ 1,143,044	\$ 1,177,336	\$ 1,212,656	\$ 1,249,035	\$ 1,286,506	
Reserves	\$ 110,111	\$ 113,415	\$ 116,817	\$ 120,322	\$ 123,931	\$ 127,649	\$ 131,479	\$ 135,423	\$ 139,486	\$ 143,670	
<b>Total Expenses</b>	\$ 2,349,214	\$ 2,419,690	\$ 2,492,281	\$ 2,567,049	\$ 2,644,061	\$ 2,723,382	\$ 2,805,084	\$ 2,889,236	\$ 2,975,913	\$ 3,065,191	
<b>Net Operating Income</b>	\$ 2,351,628	\$ 2,422,176	\$ 2,494,842	\$ 2,569,687	\$ 2,646,778	\$ 2,726,181	\$ 2,807,966	\$ 2,892,205	\$ 2,978,972	\$ 3,068,341	
Debt Service	\$ 1,772,790	\$ 1,772,790	\$ 1,772,790	\$ 1,772,790	\$ 1,772,790	\$ 2,007,560	\$ 2,007,560	\$ 2,007,560	\$ 2,007,560	\$ 2,007,560	
Free Cashflow	\$ 578,838	\$ 649,387	\$ 722,052	\$ 796,897	\$ 873,988	\$ 718,621	\$ 800,406	\$ 884,645	\$ 971,411	\$ 1,060,781	
<b>Cash-on-cash Return</b>	<b>7.83%</b>	<b>8.79%</b>	<b>9.77%</b>	<b>10.78%</b>	<b>11.83%</b>	<b>9.72%</b>	<b>10.83%</b>	<b>11.97%</b>	<b>13.14%</b>	<b>14.35%</b>	