

5 Points

	Annual Factor	Base Year 0	Year 1 0	Year 2 1	Year 3 2	Year 4 3	Year 5 4	Year 6 5	Year 7 6
<u>ANNUAL OPERATING INCOME</u>									
POTENTIAL INCOME									
		Manual Override							
First Floor Commercial Net Rent Potential	3.0%	\$73,990	\$73,990	\$76,210	\$78,496	\$80,851	\$83,276	\$85,775	\$88,348
Second Floor Commercial Net Rent Potential	3.0%	\$74,172	\$74,172	\$76,397	\$78,689	\$81,050	\$83,481	\$85,986	\$88,565
Basement Office (1)	3.0%	\$30,000	\$30,000	\$30,900	\$31,827	\$32,782	\$33,765	\$34,778	\$35,822
Vacancy Loss (5%) (2)		(\$8,908)	(\$8,908)	(\$9,175)	(\$9,451)	(\$9,734)	(\$10,026)	(\$10,327)	(\$10,637)
Operating Expense/Real Estate Tax Income (3)	3.0%	\$68,520	\$68,520	\$70,576	\$72,693	\$74,874	\$77,120	\$79,433	\$81,816
Expense Loss on Vacancy (5%) (4)		(\$3,426)	(\$3,426)	(\$3,529)	(\$3,635)	(\$3,744)	(\$3,856)	(\$3,972)	(\$4,091)
Basement Storage	1.5%	\$3,000	\$3,000	\$3,045	\$3,091	\$3,137	\$3,184	\$3,232	\$3,280
Total Income		\$237,348	\$237,348	\$244,423	\$251,710	\$259,215	\$266,945	\$274,905	\$283,104
EXPENSE									
Operating Expense (3)	3.0%	(\$45,680)	(\$45,680)	(\$47,050)	(\$48,462)	(\$49,916)	(\$51,413)	(\$52,956)	(\$54,544)
Real Estate Taxes (3)	3.0%	(\$22,840)	(\$22,840)	(\$23,525)	(\$24,231)	(\$24,958)	(\$25,707)	(\$26,478)	(\$27,272)
Expense on Gross Leases (5)	3.0%	(\$9,600)	(\$9,600)	(\$9,888)	(\$10,185)	(\$10,490)	(\$10,805)	(\$11,129)	(\$11,463)
Total Expense		(\$78,120)	(\$78,120)	(\$80,464)	(\$82,878)	(\$85,364)	(\$87,925)	(\$90,562)	(\$93,279)
NET OPERATING INCOME		\$159,228	\$159,228	\$163,960	\$168,833	\$173,851	\$179,020	\$184,343	\$189,825
<u>ANNUAL DEBT SERVICE</u>									
Debt Service (Franklin) (6)		(\$100,425)	(\$100,425)	(\$1,645,425)	\$0	\$0	\$0	\$0	\$0
Debt Service (City 2%) (7)		(\$1,500)	(\$1,500)	(\$76,460)	\$0	\$0	\$0	\$0	\$0
Debt Service (City Gap) (8)		(\$14,625)	(\$14,625)	(\$14,625)	(\$26,315)	(\$26,315)	(\$26,315)	(\$26,315)	(\$26,315)
Debt Service (Refinance #1) (9)		\$0	\$0	\$1,615,000	(\$119,059)	(\$119,059)	(\$119,059)	(\$119,059)	(\$119,059)
Debt Service (Refinance #2) (10)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow (11)		\$42,678	\$42,678	\$42,450	\$23,459	\$28,477	\$33,646	\$38,969	\$44,451

Notes:

- (1) Basement office space assumed to be leased on a Gross basis.
- (2) Vacancy loss is based upon a 5% loss of 1st, 2nd, and Basement rental income.
- (3) CAM/RE Tax Income is based upon \$4/psf for Operating Expense reimbursement and \$2/psf for Real Estate Taxes reimbursement for year 1.
- (4) Expense Loss on Vacancy based upon a 5% loss of Operating Expense/Real Estate Tax Income reimbursement.
- (5) Expense on spaces with gross leases is assumed to be \$800 per month for year 1.
- (6) Franklin loan based upon \$1,545,000 principal, 6.5% interest rate, 3 year term, 20 year amortization, and interest only for the two years.
- (7) City 2% loan based upon \$75,000 principal, 2.00% interest rate, 10 year term, 15 year amortization, and interest only for the first year.
- (8) City Gap loan based upon \$450,000 principal, interest only for the 1st two years, 3.25% interest rate, 10 year term, and 25 year amortization.
- (9) Refinance #1 assumes loan terms would have principal at \$1,615,000 (\$1,545,000 and \$70,669 remaining principal from Franklin and City 2% loans, respectively), a 5.50% interest rate (through 501(c)3 tax exempt bonds or BQ loan), 10 year term, and 25 years amortization. Closing costs (\$48,470) to be paid with Year 1 & 2 excess cash flow.
- (10) Refinance #2 assumes loan terms would have principal at \$1,605,000 (\$1,214,273 and \$343,360 remaining principal from Refinance #1 and City Gap loan, respectively, and \$46,868 for refinancing fees), a 7.0% interest rate, 10 year term, and 25 years amortization.
- (11) Excess cash flow from the property will at times be conserved for anticipated capital improvements, such as tenant improvements, leasing commissions, parking lot improvements, furniture, fixtures & equipment, or building improvements; paydown debt; or pay financing fees associated with refinancing.

NRP / EZ / MCDA HOUSING DEVELOPMENT REQUEST
20 YEAR CASH FLOW PROJECTIONS

Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
7	8	9	10	11	12	13	14	15	16	17	18	19
\$90,998	\$93,728	\$96,540	\$99,436	\$102,419	\$105,492	\$108,657	\$111,917	\$115,274	\$118,732	\$122,294	\$125,963	\$129,742
\$91,222	\$93,959	\$96,778	\$99,681	\$102,671	\$105,752	\$108,924	\$112,192	\$115,558	\$119,024	\$122,595	\$126,273	\$130,061
\$36,896	\$38,003	\$39,143	\$40,317	\$41,527	\$42,773	\$44,056	\$45,378	\$46,739	\$48,141	\$49,585	\$51,073	\$52,605
(\$10,956)	(\$11,285)	(\$11,623)	(\$11,972)	(\$12,331)	(\$12,701)	(\$13,082)	(\$13,474)	(\$13,879)	(\$14,295)	(\$14,724)	(\$15,165)	(\$15,620)
\$84,271	\$86,799	\$89,403	\$92,085	\$94,848	\$97,693	\$100,624	\$103,643	\$106,752	\$109,954	\$113,253	\$116,651	\$120,150
(\$4,214)	(\$4,340)	(\$4,470)	(\$4,604)	(\$4,742)	(\$4,885)	(\$5,031)	(\$5,182)	(\$5,338)	(\$5,498)	(\$5,663)	(\$5,833)	(\$6,008)
\$3,330	\$3,379	\$3,430	\$3,482	\$3,534	\$3,587	\$3,641	\$3,695	\$3,751	\$3,807	\$3,864	\$3,922	\$3,981
\$291,548	\$300,244	\$309,201	\$318,426	\$327,926	\$337,711	\$347,788	\$358,167	\$368,857	\$379,867	\$391,205	\$402,884	\$414,911
(\$56,181)	(\$57,866)	(\$59,602)	(\$61,390)	(\$63,232)	(\$65,129)	(\$67,083)	(\$69,095)	(\$71,168)	(\$73,303)	(\$75,502)	(\$77,767)	(\$80,100)
(\$28,090)	(\$28,933)	(\$29,801)	(\$30,695)	(\$31,616)	(\$32,564)	(\$33,541)	(\$34,548)	(\$35,584)	(\$36,651)	(\$37,751)	(\$38,884)	(\$40,050)
(\$11,807)	(\$12,161)	(\$12,526)	(\$12,902)	(\$13,289)	(\$13,687)	(\$14,098)	(\$14,521)	(\$14,956)	(\$15,405)	(\$15,867)	(\$16,343)	(\$16,834)
(\$96,078)	(\$98,960)	(\$101,929)	(\$104,987)	(\$108,136)	(\$111,380)	(\$114,722)	(\$118,164)	(\$121,708)	(\$125,360)	(\$129,120)	(\$132,994)	(\$136,984)
\$195,470	\$201,284	\$207,272	\$213,439	\$219,790	\$226,330	\$233,067	\$240,004	\$247,149	\$254,507	\$262,085	\$269,890	\$277,927
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(\$26,315)	(\$26,315)	(\$369,675)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(\$119,059)	(\$119,059)	(\$1,333,332)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$1,557,633	(\$136,126)	(\$136,126)	(\$136,126)	(\$136,126)	(\$136,126)	(\$136,126)	(\$136,126)	(\$136,126)	(\$136,126)	(\$136,126)
\$50,096	\$55,910	\$61,898	\$77,313	\$83,664	\$90,204	\$96,941	\$103,878	\$111,023	\$118,381	\$125,959	\$133,764	\$141,801