# Franklin East Building Redevelopment

## Revenue

| Tenants | Usable Sq Ft | % Rentable | Rentable SF | Annual Lease Rate | Lease Potential | CAM | Annual CAM Revenue | Annual Combined |
|---|---|---|---|---|---|---|---|---|
| First Floor - True Thai | 5,377 | 100% | 5,720 | $15.00 | $85,800 | $5.80 | $33,179 | $118,979.34 |
| Basement - True Thai Storage | 800 | 100% | 900 | $2.00 | $1,800 | $0.00 | $0 | $1,800.00 |
| Basement - True Thai | 1,795 | 100% | 1,995 | $5.50 | $10,973 | $5.80 | $11,572 | $22,544.66 |
| Basement - Office | 5,384 | 100% | 6,022 | $6.50 | $39,143 | $5.80 | $34,931 | $74,074.11 |
| Basement - Unfinished | 470 | 0% | 0 | $0.00 | $0 | $0.00 | $0 | $0.00 |
| Basement - Storage | 1,115 | 0% | 0 | $2.00 | $0 | $0.00 | $0 | $0.00 |
| First Floor - Retail / Office | 4,615 | 100% | 5,338 | $15.00 | $80,070 | $5.80 | $30,964 | $111,033.52 |
| First Floor - Jim's Barber | 195 | 100% | 226 | $21.24 | $4,800 | $5.80 | $1,311 | $6,111.17 |
| Second Floor - Office | 1,830 | 100% | 2,048 | $11.00 | $22,528 | $5.80 | $11,880 | $34,407.60 |
| | 21,581 | | 22,249 | | $245,114 | | $123,837 | $368,950 |

**Assumptions**

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Income Inflation Factor | | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Expense Inflation Factor | | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Vacancy Alllowance | 25% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% |

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| **OPERATING INCOME** | | | | | | | | | | |
| Lease Revenue | $245,114 | $250,016 | $255,016 | $260,117 | $265,319 | $270,625 | $276,038 | $281,559 | $287,190 | $292,934 |
| CAM Revenue | $123,837 | $127,552 | $131,378 | $135,320 | $139,379 | $143,561 | $147,867 | $152,303 | $156,873 | $161,579 |
| Other Revenue | | | | | | | | | | |
| GROSS INCOME | $368,950 | $377,568 | $386,395 | $395,436 | $404,698 | $414,186 | $423,905 | $433,862 | $444,062 | $454,512 |
| Vacancy Allowance | -$92,238 | -$75,514 | -$77,279 | -$79,087 | -$80,940 | -$82,837 | -$84,781 | -$86,772 | -$88,812 | -$90,902 |
| EFFECTIVE GROSS INCOME | $276,713 | $302,054 | $309,116 | $316,349 | $323,759 | $331,349 | $339,124 | $347,090 | $355,250 | $363,610 |
| **EXPENSES** | | | | | | | | | | |
| CAM and Insurance | $59,230 | $61,007 | $62,837 | $64,722 | $66,664 | $68,664 | $70,724 | $72,845 | $75,031 | $77,282 |
| Taxes | $68,000 | $70,040 | $72,141 | $74,305 | $76,535 | $78,831 | $81,196 | $83,631 | $86,140 | $88,725 |
| TOTAL OPERATING EXPENSES | $127,230 | $131,047 | $134,978 | $139,028 | $143,198 | $147,494 | $151,919 | $156,477 | $161,171 | $166,006 |
| **NET OPERATING INCOME** | **$149,483** | **$171,007** | **$174,137** | **$177,321** | **$180,560** | **$183,854** | **$187,205** | **$190,613** | **$194,079** | **$197,604** |
| Replacement Reserves | -$8,301 | -$8,550 | -$8,807 | -$9,071 | -$9,343 | -$9,624 | -$9,912 | -$10,210 | -$10,516 | -$10,831 |
| Operating Reserve | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| **CASHFLOW FROM OPERATIONS** | $141,181 | $162,457 | $165,330 | $168,250 | $171,217 | $174,231 | $177,293 | $180,403 | $183,563 | $186,772 |
| **DEBT** | | | | | | | | | | |
| **new debt** | | | | | | | | | | |
| First Mortgage | (129,693) | (129,693) | (129,693) | (129,693) | (129,693) | (129,693) | (129,693) | (129,693) | (129,693) | (129,693) |
| Second Mortgage | - | - | - | - | - | - | (26,718) | (26,718) | (26,718) | (26,718) |
| Other | | | | | | | | | | |
| **existing debt** | | | | | | | | | | |
| MCDA/NRP existing mortgage due I | - | - | - | - | - | - | - | - | - | - |
| TOTAL DEBT PAYMENTS | (129,693) | (129,693) | (129,693) | (129,693) | (129,693) | (129,693) | (156,411) | (156,411) | (156,411) | (156,411) |
| **NET CASHFLOW** | **11,488** | **32,764** | **35,638** | **38,557** | **41,524** | **44,538** | **20,881** | **23,992** | **27,151** | **30,361** |
| **Debt Coverage Ratio (DCR)** | 1.09 | 1.25 | 1.27 | 1.30 | 1.32 | 1.34 | 1.13 | 1.15 | 1.17 | 1.19 |