

Summary Pro Forma											Team
Year 0		Phase 1 A			Phase 1 B			Phase 2			
2021-2022		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Net Operating Income</b>											
Market-rate	Rental Housing	\$202,866	\$372,462	\$422,124	\$1,751,703	\$3,134,296	\$3,884,237	\$3,961,922	\$4,041,160	\$4,121,983	\$4,204,423
Market-rate	For-Sale Housing	\$10,851,932	\$38,741,397	\$5,645,175	\$0	\$0	\$0	\$17,605,728	\$5,130,812	\$2,616,714	\$0
Affordable	Rental Housing	\$81,947	\$150,454	\$170,515	\$707,592	\$1,266,083	\$1,569,018	\$1,600,399	\$1,632,407	\$1,665,055	\$1,698,356
	Office/Commercial	\$388,823	\$935,197	\$1,376,713	\$1,481,959	\$1,592,643	\$1,674,736	\$2,117,816	\$2,483,899	\$2,764,847	\$2,952,182
	Market-rate Retail	\$180,338.38	\$448,817.36	\$682,008.17	\$930,763.03	\$1,204,670.76	\$1,388,647.38	\$1,486,088.99	\$1,581,642.78	\$1,680,512.50	\$1,763,957.43
	Underground Parking	\$5,560,009	\$11,663,083	\$12,223,423	\$2,235,148	\$4,675,159	\$4,886,428	\$4,239,803	\$6,329,773	\$6,544,565	\$4,554,194
Market-rate	Institutional	\$1,763,829	\$4,231,386	\$6,213,527	\$6,385,562	\$6,561,012	\$6,739,943	\$12,157,145	\$16,784,344	\$18,115,529	\$18,822,612
<b>Total Net Operating Income</b>		\$19,029,744	\$56,542,797	\$26,733,485	\$13,492,727	\$18,433,864	\$20,143,010	\$43,168,901	\$37,984,038	\$37,509,205	\$33,995,724
<b>Development Costs</b>											
Market-rate	Rental Housing	(\$2,105,907)	(\$1,718,420)	(\$438,197)	(\$13,714,423)	(\$13,988,712)	(\$7,134,243)	\$0	\$0	\$0	\$0
Market-rate	For-Sale Housing	(\$25,479,335)	(\$20,791,137)	(\$5,301,740)	\$0	\$0	\$0	(\$10,629,418)	(\$12,046,674)	(\$737,256)	(\$501,334)
Affordable	Rental Housing	(\$672,720)	(\$439,152)	(\$27,996)	(\$3,504,797)	(\$3,574,893)	(\$911,598)	\$0	\$0	\$0	\$0
	(20% of Market Rate Rental)										
	Office/Commercial	(\$5,915,215)	(\$8,044,693)	(\$6,154,190)	(\$688,193)	(\$701,957)	(\$357,998)	(\$5,520,447)	(\$4,223,142)	(\$2,871,736)	(\$1,464,586)
	Retail (ALL)	(\$3,482,025)	(\$4,642,701)	(\$3,482,025)	(\$3,321,603)	(\$3,321,603)	(\$1,660,802)	(\$293,760)	(\$220,320)	(\$220,320)	\$0
	Underground Parking	(\$8,623,987)	(\$17,247,974)	(\$17,247,974)	(\$2,605,179)	(\$5,210,358)	(\$5,210,358)	(\$5,270,147)	(\$7,582,660)	(\$7,518,148)	(\$5,012,099)
Market-rate	Institutional	(\$8,823,199)	(\$11,999,551)	(\$9,179,656)	\$0	\$0	\$0	(\$25,046,141)	(\$20,437,651)	(\$4,169,281)	
	LEED Volume	(\$1,412,755)	(\$1,297,612)	(\$515,517)	(\$30,969)	(\$31,588)	(\$16,110)	(\$726,744)	(\$732,142)	(\$162,405)	(\$88,466)
	Land Acquisition	\$0									
	Total Infrastructure	(\$1,138,270)	(\$3,799,071)	(\$3,574,716)	(\$1,228,485)	(\$7,969,853)	(\$6,852,224)	(\$382,925)	(\$1,131,586)	(\$847,703)	(\$847,703)
	Demolition Costs	(\$2,257,621)	(\$13,333)	(\$13,333)	(\$1,664,231)	(\$373,621)	(\$13,333)	(\$1,249,424)	(\$10,000)	(\$10,000)	(\$10,000)
	Loan Fees	(\$1,350,230)									
<b>Total Hard Construction Costs</b>		(\$1,350,230)	(\$45,212,115)	(\$52,944,992)	(\$33,877,837)	(\$19,092,131)	(\$21,463,288)	(\$12,232,886)	(\$37,989,325)	(\$36,194,070)	(\$12,543,317)
<b>Total Soft Costs</b>			(\$11,303,029)	(\$13,236,248)	(\$8,469,459)	(\$4,773,033)	(\$5,365,822)	(\$3,058,222)	(\$9,497,331)	(\$9,048,518)	(\$3,135,829)
<b>Total Development Costs</b>		(\$1,350,230)	(\$59,911,035)	(\$69,993,644)	(\$45,935,345)	(\$26,757,880)	(\$35,172,584)	(\$49,119,006)	(\$46,384,174)	(\$16,536,849)	(\$7,924,188)
<b>Annual Cash Flow</b>											
	Net Operating Income	\$19,029,744	\$56,542,797	\$26,733,485	\$13,492,727	\$18,433,864	\$20,143,010	\$43,168,901	\$37,984,038	\$37,509,205	\$33,995,724
	Total Asset Value										\$365,021,271
	Blended Cap Rate 9%										
	Total Costs of Sale 3%										(\$10,950,638)
	Total Development Costs	(\$1,350,230)	(\$45,212,115)	(\$52,944,992)	(\$33,877,837)	(\$19,092,131)	(\$21,463,288)	(\$12,232,886)	(\$37,989,325)	(\$36,194,070)	(\$12,543,317)
<b>Net Cash Flow</b>		(\$1,350,230)	(\$26,182,371)	\$3,597,805	(\$7,144,352)	(\$5,599,404)	(\$3,029,424)	\$7,910,124	\$5,179,576	\$1,789,968	\$24,965,888
<b>Unleveraged Net Cash Flow</b>		(\$1,350,230)	(\$26,182,371)	\$3,597,805	(\$7,144,352)	(\$5,599,404)	(\$3,029,424)	\$7,910,124	\$5,179,576	\$1,789,968	\$24,965,888
<b>Debt Service</b>			(\$2,750,728)	(\$2,750,728)	(\$2,750,728)	(\$1,234,939,284)	(\$21,886,337)	(\$21,886,337)	(\$36,190,804)	(\$36,190,804)	(\$36,190,804)
<b>Equity Outlays</b>		\$53,764,864									
<b>Leveraged Net Cash Flow</b>		\$52,414,634	(\$28,933,099)	\$847,077	(\$9,895,080)	(\$1,240,538,688)	(\$24,915,761)	(\$13,976,213)	(\$31,011,228)	(\$34,400,836)	(\$11,224,916)
<b>Net Present Value</b>		\$382,550,748									
<b>Loan to Value Ratio (LVR)</b>											
<b>Unleveraged IRR Before Taxes</b>		34%			<b>Current Site Value (start of Year 0)</b>			5,317,828			
<b>Leveraged IRR Before Taxes</b>		137%	* Assumes all equity is contributed before the loan funds			<b>Projected Site Value (end of Year 10)</b>			\$365,021,271		

**2. Multiyear Development Program**

Total Buildout		Phase 1 A			Phase 1 B			Phase 2			
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Project Buildout by Development Units</b>											
Market-rate	Rental Housing (units)	59	47	12	87	87	43	0	0	0	0
Market-rate	For-Sale Housing (units)	304	243	61	0	0	0	106	118	7	5
Affordable	Rental Housing (units)	12	9	2	72	72	36	0	0	0	0
	Office/Commercial (units)	139	185	139	0	0	0	147	110	74	37
	Market-rate Retail (units)	5	6	5	4	4	2	1	1	1	0
	Underground Parking (spaces)	449	898	898	136	271	271	274	395	392	261
Market-rate	Institutional (s.f.)	40,548	54,064	40,548	-	-	-	102,207	81,766	16,353	4,088
<b>Project Buildout by Area</b>											
Market-rate	Rental Housing (s.f.)	14,338	11,470	2,868	87,986	87,986	43,993	0	0	0	0
Market-rate	For-Sale Housing (s.f.)	208,165	166,532	41,633	0	0	0	77,113	85,681	5,141	3,427
Affordable	Rental Housing (s.f.)	9,558	7,647	1,912	58,657	58,657	29,329	0	0	0	0
	Office/Commercial (s.f.)	45,998	61,330	45,998	7,569	7,569	3,784	39,161	29,370	19,580	9,790
	Market-rate Retail (s.f.)	23,707	31,609	23,707	22,614	22,614	11,307	2,000	1,500	1,500	0
	Underground Parking (s.f.)	89,833	179,666	179,666	27,137	54,275	54,275	54,897	78,986	78,314	52,209
Market-rate	Institutional (s.f.)	45,053	60,071	45,053	0	0	0	113,563	90,851	18,170	4,543
	Other (s.f.)										
	<b>Total (s.f.)</b>	<b>436,651</b>	<b>518,325</b>	<b>340,836</b>	<b>203,964</b>	<b>231,101</b>	<b>142,688</b>	<b>286,734</b>	<b>286,388</b>	<b>122,705</b>	<b>69,969</b>

**3. Unit Development and Infrastructure Costs**

Development Costs		Unit Cost	Total Costs
<b>Project Buildout by Area</b>			
Market-rate	Rental Housing (\$ per unit)		\$117,066
Market-rate	For-Sale Housing (\$ per unit)		\$89,439
Affordable	Rental Housing (\$ per unit)		\$45,204
	Office/Commercial (\$ per unit)		\$43,304
	Market-rate Retail (\$ per unit)		\$764,636
	Underground Parking (\$ per space)		\$19,200
Market-rate	Institutional (\$ per s.f.)		\$235
	Land Acquisition		\$0
	<b>Development Costs</b>		<b>1079082.66</b>
	Other		
Infrastructure Costs		Public	Private
	Site Demolition		\$4,774,322
	Site Grading		\$1,193,581
	Exsiting Building Demolition		\$120,000
	Road Demolition		\$720,574
	Road Construction		\$385,000
	Tree Installation		\$10,500
	Park/Landscaping		\$22,186,462
	Sidewalk Construction		\$974,224
	Amphitheatre Construction		\$319,170
	Bridge Construction		\$1,260,000
	Green Roof		\$1,437,600
	Landmarks and Environmental Installation		\$6,000
	<b>Acquisition Taxes and Fees</b>		<b>\$0</b>
	<b>Total Infrastructure Costs</b>		<b>\$33,387,434</b>
	<b>Total Development Costs</b>		<b>\$34,466,516</b>

**4. Equity and Financing Sources**

	Amount	Percent of Total
<b>Equity Sources (total)</b>		
Joint Venture Equity Investor	\$45,700,134	12.0%
Developer's Equity	\$8,064,730	2.1%
Developer Land Equity	\$5,317,828	1.4%
<b>Financing Sources (total)</b>		
PACE Financing (A)	\$166,182,127	43.7%
Liberty Bank Construction Loan (B)	\$135,022,979	35.5%
<b>Public Subsidies (total, if any)</b>		
LIHTC <sup>(C)</sup>	\$1,495,683	0.4%
TIF Financing <sup>(D)</sup>	\$12,019,879	3.2%
TIF Works <sup>(E)</sup>	\$6,165,150	1.6%
<b>Total</b>	<b>\$379,968,510</b>	<b>100%</b>

(A) PACE financing (property assessed clean energy financing) is a means of financing energy efficiency upgrades, disaster resiliency improvements, water conservation measures, or renewable energy installations of residential, commercial, and industrial property owners.  
 (B) Loan from Liberty Bank (known for community development loan) in Kansas city  
 (C) The Low-Income Housing Tax Credit is a dollar-for-dollar tax credit in the United States for affordable housing investments.  
 (D) TIF financing for the community improvements and infrastructure, including street renovation, pedestrian bridges, Communal Gardena and amphitheatre.  
 (E) TIFWorks subsidies for the educational institution development

Market Assumptions		
Input	Assumption Used <sup>(1)</sup>	Source
Apartment Rents PSF (Monthly)	\$ 3.12	Current rents on available units at Kansas City Downtown Building
Apartment Vacancy	5.90%	CBRE & Real Capital Analytics Reports
Affordable Rents PSF	\$1.36	Based on (1/3) of 80% AMI for a family of 2
Condo Sales Prices PSF	\$ 463.61	Current sales prices on available units at various Downtown Kansas city Projects
Affordable Sales Price PSF	\$ 251.35	Based a mortgage on (1/3) of 80% AMI for a family of 2
Office Rents PSF	\$ 23.45	CBRE and Cushman Wakefield estimates for similar submarket spaces in USA
Office Vacancy	11.50%	Cushman and Wakefield and PWC Report
Retail Rents PSF	\$ 20.00	From CBRE and Real Capital Analytics Retail Reports.
Restaurant Rents PSF	30.00	
Grocery Store Rents PSF	15.00	
Retail Vacancy	5.00%	
Institutional Rents PSF	\$ 20.00	From CBRE and Real Capital Analytics Retail Reports.
Institutional Vacancy	25.00%	
Parking Structure Monthly Rate	\$215	From comparable structures in Kansas City Downtown
Hourly Parking Rates	\$4	
Apartment Cap Rates	6.00%	Comparison with and averages taken from CoStar, JLL reports, Real Capital Analytics, CBRE reports.
Office Cap Rates	6.20%	
Retail Cap Rates	6.20%	
Hotel Cap Rates	8.00%	
Industrial Cap Rates	6.90%	
Parking Cap Rates	11.00%	

(1) Please note that these rent/sales price figures are current estimates, and that for purposes of calculating Net Operating Income, annual inflation of 2.00% was assumed.