

STAGE STREET



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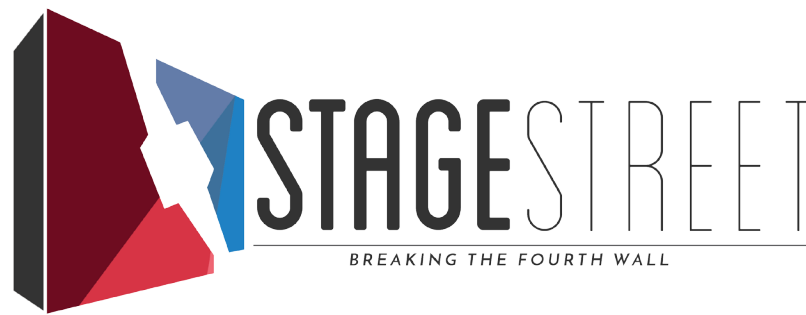
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Midtown Atlanta has become a hub for post-recession development activity. With booming tech and medical industries and a burgeoning film industry, the region is poised for continued growth. Despite the increasing presence of the entertainment industry, the city lacks a defined center of entertainment culture. Developments with social spaces and collaborative programs, such as Ponce City Market and the Atlanta BeltLine, have been received well by a public ready to leave behind its insular, suburban past and embrace a more vibrant public realm. In order to create a differentiated, market-feasible program, capitalize on a site positioned at the center of the city's major neighborhoods, and embrace an entertainment culture, **the Stage Street development offers an integrated, mixed-use, mixed-income program with a pedestrian orientation and social spaces to help Atlantans break the fourth wall of culture by stepping out of their private spaces and onto the stage of a shared Midtown experience.** The proposed development program for the Midtown South Development Partnership is rooted in a thorough market analysis, targeting gaps in current product types and pursuing those with strong projected absorption and rent growth.

DESIGN NARRATIVE

BREAKING THE FOURTH WALL

In theatre and film, the screen forms an imaginary fourth wall separating the audience from the action within the fictitious world. Just as innovative thespians have broken the fourth wall to engage directly with their audience, the Stage Street design helps break the fourth wall of Atlanta culture by blurring the boundaries of public and private spaces and inviting users to engage in a shared life. Elements such as plazas, balconies, rooftops, outdoor dining, a linear park, and event spaces create stages to see and be seen. Special attention is given to the ground floor of buildings, using a continuous street wall, facade transparency, activation, detailing, and variation to create an inviting pedestrian environment.

SITE CONTEXT

The Stage Street development is catered toward the demographics of the Midtown trade area, composed primarily of well-educated, active people between the ages of 20 and 55 with sufficient disposable income and preferences for urban living. Proximity to the iconic Fox Theatre, Georgia Tech, Emory University Hospital, and a dense concentration of residential and office development informed the site positioning strategy and tenant mix.

SITE DESIGN

The 15.7-acre site is anchored by the Stage Street block and its entertainment, commercial, and hospitality functions. The design maintains the existing street grid, adding pedestrian circulation through 1) the Stage Street diagonal plaza; 2) The Set, a greenscaped passageway along 3rd Street; and 3) The Backlot, a linear park along the Connector. These detail-rich, pedestrian open spaces are designed with flexible components to accommodate various event programs, offer inviting retreats, and facilitate an active lifestyle that supports the community's physical, social, and economic health. With inviting pedestrian zones, bike infrastructure, MARTA rail and bus, and the Georgia Tech Trolley, users have a range of transportation options to access and move throughout the site. Sustainable design strategies are incorporated throughout the site with bioswales, cisterns, photovoltaics, green roofs, and a tubular photobioreactor algae system to reduce CO₂ emissions from the highway and achieve LEED ND Gold status.

PRODUCT DESIGN

The development program cultivates a harmonious mix of users, with activation balanced across times of day:

Entertainment: Stage Street has a concentration of entertainment uses: a 1-person concert venue, an eight-screen, curated movie theater, rooftop mini golf, restaurants, and bars. There is always something to do and someone to see at Stage Street, making it the perfect place to wander and linger. These entertainment uses are intentionally balanced with a mix of uses to create an organic urban experience, rather than a contrived entertainment district. This strategy, along with entertainment office uses, reinforces the regional economic development goal of growing and attracting the film industry, as outlined in the Atlanta Regional Commission's PLAN 2040.

Residential: The residential component features a mix of 1,148 apartments and condominiums, including standard market rate (69%), compact market rate (15%), and affordable units (16%) with floor plans ranging from studios to three bedrooms. In a market with a saturation of luxury apartments, this product differentiation is key. The compact market rate typology uses efficient unit design solutions to reduce the bottom line price for tenants while maintaining strong returns for developers, addressing the demand for urban units that fit the budget of middle-market consumers.

Retail: The site plan offers 381,339 SF of retail with a mix of scales for tenants, including small retailers--like a bike shop, GNC, and restaurants-- and services-- like FedEx Office and a fitness studio-- on Blocks A, B, and C. Larger anchor retailers, such as Kroger, are located on Block G. Each retailer will design its own facade to contribute to the craftsmanship and visual interest of the area.

Office: The majority of the 895,843 SF of office space (75%) will house traditional tenants, targeting users in the film, music, media, and tech industries as part of Midtown's thriving Innovation District. Medical offices (7%), maker spaces (3%), coworking space (3%) and affordable offices (7%) will attract specialized users, creating a mix of established businesses and startup culture.

Educational: A high school along with a university and a workforce development office, are co-located with office spaces in related fields, facilitating dynamic, hands-on learning experiences.

Hospitality: Drawing on Midtown's 6.1 million annual visitors, the site provides easily accessible destinations and accommodations for tourists, including a hotel, hostel, and a tourism center. An extended stay hotel targets traveling film professionals, medical workers, and exchange students.

These elements are fused together and programmed to create an environment that encourages people to interact as part of an engaging social system.

FINANCIAL NARRATIVE

PHASING

Prelude (2016-2017)

In the planning phase, the Partnership will conduct community charrettes and host tactical activation events on the site to both incorporate stakeholder feedback and promote the development. During this phase, building designs, entitlements, and tenants will be secured, and the Partnership will work with Neighborhood Planning Unit E, Midtown Alliance, MARTA, the Georgia Department of Transportation, the Midtown Development Review Committee, and the City of Atlanta to finalize the development proposal.

Act 1 (2018-2020)

By tapping into the unmet needs in the entertainment market, the initial phase of bolsters the area with and serves as an attractive force to anchor future development. On Parcel C, concert venue, movie theater, and rooftop mini golf are principal entertainment uses, and an assortment of restaurants, bars, fitness uses, and public spaces round out the mix of area activities. A traditional hotel, hostel, and extended stay hotel provide a place for visitors to get in on the action. New office space targets film, music, digital media and tech tenants, as well as the City of Atlanta's new Entertainment Training Program, which offers workforce development to develop a pool of local film industry professionals. The air rights to the North Avenue MARTA Station on Parcel E are ground leased for a 99-year term, bringing the site to its highest and best use with a ground floor visitors center, gallery, and Midtown Blue station. Above, the Cristo Rey High School relocates to its new facility, accompanied by the Georgia Tech School of Music, a new Georgia Tech and Emory joint biotech center, and medical offices. The building is topped off by 87 units of mixed-income apartments, compactly designed to make efficient use of space.

Act 2 (2021-2023)

Phase Two builds on the site's momentum, adding a mix of 591 market rate and affordable apartments and condominiums to add users to the neighborhood and raise the trade area's purchasing power for potential retail in the final phase. Ground floor development features restaurants, small retail, makers spaces, offices, an international market with business

development support for entrepreneurial new immigrants and refugees. The active realm is expanded to include a signature, linear park called The Backlot, which buffers the buildings from the I-75/85 Connector and creates an inviting recreational amenity.

Act 3 (2024-2027)

The final phase of development capitalizes on the increased value of the land by making good on the option to purchase Parcel G, adding a full-service, urban grocery and other national retailers. An additional 470 residential units with more generous floor plans continue to build residential capacity, and a final tower of office space comes online in time to take advantage of the creative energy generated by the High Performance Computing Center slated for the neighboring parcel.

FINANCING AND RETURNS

The proposed development balances the financial and social goals of the developers and the neighborhood to help Midtown flourish in the long term. A combination of affordable units, subsidized through Low Income Housing Tax Credits (LIHTC), and compact market rate units address local housing needs. Discounted rents for nonprofits, a private high school, and affordable office space integrate uses that will contribute to the quality of the community and its future growth. Investment in outdoor spaces and infrastructure creates an inviting, social public realm that fosters user engagement and creates an urban amenity for tenants.

The equity from the Partnership's land is supplemented by capital from an equity partner taken on in a joint venture, constituting a combined total of 20 percent of development costs. The remaining costs are financed by LIHTC credits (1 percent), the reinvestment of asset sales (16 percent), and a series of construction loans taken out by permanent loans (63 percent). Over the course of a ten-year hold, the development generates an unleveraged IRR of 15% and a leveraged IRR of 24%, providing a strong financial return for its investors and a lively, productive urban realm for the broader community.

MULTIYEAR DEVELOPMENT PROGRAM			Phase I			Phase II			Phase III			
			1	2	3	4	5	6	7	8	9	10
2016-2017			2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Year-by-Year Cumulative Absorption												
Project Buildout by Development Units												
Standard	Apartments	(units)	-	-	-	-	132	132	132	268	268	268
Market Rate	Condominiums	(units)	-	-	-	113	113	113	233	233	233	233
Compact	Apartments	(units)	-	66	66	66	174	174	174	318	318	318
Market Rate	Condominiums	(units)	-	-	-	162	162	162	242	242	242	242
Affordable	Apartments	(units)	-	21	21	21	75	75	75	156	156	156
	Condominiums	(units)	-	-	-	27	27	27	63	63	63	63
	Total Apartment	(units)	-	87	87	87	381	381	381	742	742	742
	Total Condominium	(units)	-	-	-	302	302	302	538	538	538	538
	Total residential	(units)	-	87	87	389	683	683	919	1,279	1,279	1,279
	Hotel	(rooms)	-	340	340	340	340	340	340	340	340	340
	Hostel	(rooms)	-	386	386	386	386	386	386	386	386	386
	Extended Stay Hotel	(rooms)	-	103	103	103	103	103	103	103	103	103
	Structured Parking	(spaces)	1,400	1,811	1,811	1,811	2,846	2,846	2,846	3,106	3,106	3,106
Project Buildout by Area												
	Cumulative Percent Buildout		0%	29%	33%	36%	60%	62%	77%	96%	100%	100%
Standard	Apartments	(s.f.)	-	-	-	-	-	-	-	164,387	164,387	164,387
Market Rate	Condominiums	(s.f.)	-	-	-	-	119,320	119,320	318,439	318,439	318,439	318,439
	Total	(s.f.)	-	-	-	-	119,320	119,320	318,439	482,826	482,826	482,826
Compact	Apartments	(s.f.)	-	46,950	46,950	46,950	262,563	262,563	262,563	378,948	378,948	378,948
Market Rate	Condominiums	(s.f.)	-	-	-	-	141,122	141,122	141,122	206,757	206,757	206,757
	Total	(s.f.)	-	46,950	46,950	46,950	403,684	403,684	403,684	585,705	585,705	585,705
Affordable	Apartments	(s.f.)	-	15,600	15,600	15,600	87,241	87,241	87,241	175,155	175,155	175,155
	Condominiums	(s.f.)	-	-	-	-	23,520	23,520	56,830	56,830	56,830	56,830
	Total	(s.f.)	-	15,600	15,600	15,600	110,762	110,762	144,071	231,985	231,985	231,985
Total Residential	Apartments	(s.f.)	-	62,550	62,550	62,550	349,804	349,804	349,804	718,491	718,491	718,491
	Condominiums	(s.f.)	-	-	-	-	283,962	283,962	516,390	582,025	582,025	582,025
	Total	(s.f.)	-	62,550	62,550	62,550	633,766	633,766	866,194	1,300,516	1,300,516	1,300,516
	Office/Commercial	(s.f.)	-	337,679	337,679	450,159	450,159	450,159	772,663	772,663	772,663	772,663
	Retail	(s.f.)	-	150,040	300,080	300,080	373,168	446,256	446,256	446,256	600,744	600,744
	School	(s.f.)	-	47,130	47,130	47,130	47,130	47,130	47,130	47,130	47,130	47,130
	Hotel	(s.f.)	-	76,440	76,440	76,440	76,440	76,440	76,440	76,440	76,440	76,440
	Hostel	(s.f.)	-	49,630	49,630	49,630	49,630	49,630	49,630	49,630	49,630	49,630
	Extended Stay Hotel	(s.f.)	-	49,630	49,630	49,630	49,630	49,630	49,630	49,630	49,630	49,630
	Entertainment	(s.f.)	-	81,330	81,330	81,330	81,330	81,330	81,330	81,330	81,330	81,330
	Structured Parking	(s.f.)	-	160,563	160,563	160,563	362,401	362,401	362,401	580,707	580,707	580,707
	Open Space	(s.f.)	-	34,096	34,096	34,096	281,917	281,917	281,917	281,917	281,917	281,917
	Total	(s.f.)	-	1,014,992	1,165,032	1,277,512	2,123,654	2,196,742	2,751,674	3,404,302	3,558,790	3,558,790

3. Unit Development and Infrastructure Costs				
Development Costs		Average Unit Cost		Total Costs
Market-rate	Apartments	\$151,068	(\$ per unit)	\$40,486,178
	Condominiums	\$242,424	(\$ per unit)	\$56,363,678
Compact Market Rate	Apartments	\$106,995	(\$ per unit)	\$34,024,266
	Condominiums	\$151,223	(\$ per unit)	\$36,595,983
Affordable	Apartments	\$109,824	(\$ per unit)	\$17,077,640
	Condominiums	\$159,664	(\$ per unit)	\$10,058,842
	Office/Commercial	\$170	(\$ per s.f.)	\$145,456,819
	Retail (ALL)	\$88	(\$ per s.f.)	\$52,740,055
	Hotel	\$34,214	(\$ per room)	\$11,623,466
	Hostel	\$17,269	(\$ per room)	\$6,665,905
	Extended Stay Hotel	\$75,165	(\$ per unit)	\$7,767,095
	Structured Parking	\$25,451	(\$ per space)	\$25,668
Infrastructure Costs		Public	Private	
	Parks and Landscaping	\$0	\$15,975,502	\$15,975,502
	Streetscapes	\$0	\$2,646,360	\$2,646,360
	Other	\$0	\$7,125,208	\$7,125,208
Total Infrastructure Costs				\$27,957,587
Property Taxes				
	Property Taxes			\$328,778,536
Total Development Costs				\$877,897,652

4. Equity and Financing Sources				
Equity Sources (total)		Percent Category	Amount	Percent Total
	Land Owners	18%	\$33,328,275	4%
	Joint Venture Equity Investor	75%	\$133,313,100	15%
	Low Income Housing Tax Credits (LIHTC)	7%	\$13,091,825	1%
Total			\$179,733,200	21%
Reinvested Asset Sale Proceeds				
	Phase II		\$70,701,441	8%
	Phase III		\$68,573,602	8%
Total			\$139,275,043	16%
Public Subsidies (total, if any)				
Total				
Financing Sources (total)				
	Phase 1 Loan (construction rolled into permanent)	18%	\$99,534,663	11%
	Phase 2 Loan (construction rolled into permanent)	35%	\$193,664,148	22%
	Phase 3 Loan (construction rolled into permanent)	47%	\$263,333,240	30%
Total			\$556,532,050	64%
Total			\$877,897,652	

RESIDENTIAL

Absorption/Occupancy Factor	95%
Operating Expenses	35%
Infrastructure Cost	\$ 2
Occupancy Factor	93%
Permanent Loan Interest	4.78%
Construction Loan Interest	6.60%
Construction Loan Fees	2.85%
Discount Rate	6.25%
Cost of Sale	3%

Apartment

Standard Market Rate Percent	39%
Compact Market Rate Percent	44%
Affordable Percent	17%
Buildout Percentage	18%
Average Unit Size - Market Rate	
Studio Apartment	550
Mini Studio Apartment	450
1 BR Apartment	600
2 BR Apartment	1,200
3 BR Apartment	2,000
Average Unit Size - Affordable	
Studio Apartment	450
Mini Studio Apartment	350
1 BR Apartment	600
2 BR Apartment	850
3 BR Apartment	1,400
Construction Costs per SF	\$ 104
Absorption	95%
Sale Cap Rate	5%
Permanent Loan Interest	4.78%
Construction Loan Interest	6.60%
Construction Loan Fees	2.85%
Net Rentable Area	89%
Market Rate	
Monthly Rent per SF	\$ 1.82
Costs of Sale	3%
Affordable (50% AMI)	
Monthly Rent	\$939
Monthly Rent per SF	
Costs of Sale	

Condominiums

Buildout Percent	15%
Cost of Sale	3.00%
Construction Cost per SF	\$ 140
Average Unit Size	
Absorption	
Sale Cap Rate	5.00%
Infrastructure Costs per SF	\$2
Market Rate Sale Price per SF	\$302
Affordable Sale Price per SF	\$211
Discount Rate	6.25%
Net Usable Area	89%

Affordable Rent Calculation

Atlanta-Marietta-Sandy Springs AMI	\$68,300
80% AMI	\$54,640
33% of HH Exp allowed	\$18,031
Monthly Rent	\$1,503
50% AMI	\$34,150
33% of HH Exp allowed	\$11,270
Monthly Rent	\$939

OFFICE

Standard Office

Net Rentable Area	90%
Market Rate Rent per SF	\$29.00
Affordable Rent per SF	\$24.65
Operating Expenses	30%
Construction Costs per SF (11-20 story, green, steel, conc)	\$112
Cost of Sale	3%
Buildout	
Infrastructure Costs	\$2
Occupancy Factor	84%
Discount Rate	7.02%
Cap Rate	5.50%
Permanent Loan Interest	5.33%
Construction Loan Interest	7.02%
Construction Loan Fees	3.11%

Medical Office

Net Rentable Area	90%
Market Rate Rent per SF	\$ 32
Operating Expenses	30%
Construction Costs per SF	\$ 139.00
Cost of Sale	3%
Buildout	
Infrastructure Costs	\$ 2
Cap Rate	7.50%
Occupancy Factor	87%
Average Sales Price Per SF	\$184

Nonprofit Office

Net Rentable Area	90%
Rate Rent per SF	\$24.65
Operating Expenses	30%
Construction Costs per SF	\$ 112.00
Cost of Sale	3%
Buildout	
Infrastructure Costs	\$2
Cap Rate	6.50%

Shared Office

Net Rentable Area	90%
Rent per SF	\$26.10
Operating Expenses	35%
Construction Costs per SF	\$ 112.00
Cost of Sale	3%
Buildout	
Infrastructure Costs	\$2
Cap Rate	6.50%

SCHOOL

Net Rentable Area	90%
Affordable Rent per SF	\$25.00
Operating Expenses	30%
Construction Costs per SF (11-20 story, green, steel, conc)	\$122
Cost of Sale	3%
Buildout	1%
Infrastructure Costs	\$2
Occupancy Factor	100%
Discount Rate	10.00%
Cap Rate	7.00%
Permanent Loan Interest	5.33%
Construction Loan Interest	7.02%
Construction Loan Fees	3.11%

PARKING

Structured Parking

SF per space	350
Monthly Fee	\$100
Phase 1 Monthly Percent	50%
Phase 2 Monthly Percent	60%
Phase 3 Monthly Percent	70%
Hourly Parking Rate	\$2
Working days yearly	255
Non-working days yearly	110
Daily Parked Hours	18
Structured Parking Construction Cost per S	\$47
Cost of Sale	3%
Operating Expenses	30%
Cap Rate	8%
Infrastructure Costs	\$2
Permanent Loan Interest	6%

RETAIL

Standard Retail

Retail Rent per SF	\$30.00
Operating Expenses	40%
Retail Construction Costs per SF	\$87
Supermarket Construction Costs per SF (gree	\$87
Convenience Store Construction Costs per SI	\$89
Department Store Construction Costs per SF	\$108
Sale Cap Rate	7.00%
Cost of Sale	3%
Rentable Area	90%
Occupancy Factor	95%
Infrastructure Costs	\$2
Discount Rate	8.75%
Permanent Loan Interest	5.02%
Construction Loan Interest	7.17%
Construction Loan Fees	3.14%

Restaurant

Restaurant Rent per SF	\$30.00
Operating Expenses	40.00%
Restaurant Construction Costs per SF (green	\$157.00
Fast Food Construction Costs per SF (green)	\$141
Sale Cap Rate	7%
Cost of Sale	3%
Rentable Area	90%
Occupancy Factor	95%
Infrastructure Costs	\$2
Discount Rate	8.75%
Permanent Loan Interest	6.61%
Construction Loan Interest	8.10%
Construction Loan Fees	3.7%

HOTEL

Hotel

Net Rentable Area	100%
Average Room Size in SF	180
Average Daily Room Rate	\$170
Buildout	2%
Percent Occupancy	75%
Annual Operating Expenses	35%
Annual Other Expenses	35%
Construction Costs per SF	\$125
Cap Rate	7%
Cost of Sale	3%
Permanent Loan Interest	5.59%
Construction Loan Interest	7.43%
Construction Loan Fees	3.46%
Discount Rate	10%
Infrastructure Cost	\$2
Number of Floors	8

Hostel

Net Rentable Area	100%
Average Room Size in SF	108
Average Daily Room Rate	\$80
Buildout	1%
Percent Occupancy	75%
Annual Operating Expenses	35%
Annual Other Expenses	35%
Construction Costs per SF	\$107
Cap Rate	8%
Cost of Sale	3%
Infrastructure Cost	\$2
Number of Floors	5

Extended Stay Hotel

Net Rentable Area	100%
Average Room Size in SF	450
Average Monthly Room Rate	\$1,000
Buildout	1%
Percent Occupancy	78%
Annual Operating Expenses	35%
Annual Other Expenses	0%
Construction Costs per SF	\$125
Cap Rate	8%
Cost of Sale	3%
Infrastructure Cost	\$2
Area Per Floor	9,926
Number of Floors	5
Average room size	450
Rooms per floor	20

ENTERTAINMENT

Movie Theater

Theater Rent per SF	\$30
Operating Expenses	35%
Theater Construction Costs per SF	\$121
Sale Cap Rate	8.00%
Cost of Sale	3%
Buildout Percent	2%
Rentable Area	100%
Occupancy Factor	95%
Infrastructure Costs	\$2
Permanent Loan Interest	6.82%
Construction Loan Interest	8.03%
Construction Loan Fees	3.90%
Discount Rate	10%

Concert Venue

Concert Venue Rent per SF	\$30
Operating Expenses	35%
Auditorium Construction Costs per SF	\$124
Sale Cap Rate	8.00%
Cost of Sale	3%
Rentable Area	100%
Occupancy Factor	97%
Infrastructure Costs	\$2
Permanent Loan Interest	6.82%
Construction Loan Interest	8.03%
Construction Loan Fees	3.90%
Discount Rate	10%

Mini Golf

Mini Golf Rent per SF	\$29.00
Operating Expenses	35%
Mini Golf Construction Costs per SF (rac	\$115
Sale Cap Rate	8.00%
Cost of Sale	3%
Rentable Area	100%
Occupancy Factor	97%
Infrastructure Costs	\$2
Permanent Loan Interest	6.82%
Construction Loan Interest	8.03%
Construction Loan Fees	3.90%
Discount Rate	10%

INFRASTRUCTURE

Demolition Cost per SF	\$1.50
Green Paving Construction per SF	\$16
Landscaping Costs per SF	\$5
New Roadway Alignments - Urban Costs	\$3,914,000
Power Line Construction Costs per SF	\$340
Bridge Replacement per SF	\$150
Sidewalks per mile	\$520,000
Bicycle lanes per mile	\$2,057,000
Cistern cost per gallon	\$2.50
Bicycle staples	\$102
Green roofs per sf	\$15
Tubular algae system per linear foot	\$18.86
Seating units	\$750
Exercise equipment	\$900
Reinforced concrete cantilever per SF	\$50
Rock-filled concrete per SF	\$35
Metal cribs per SF	\$45
Total cantilever per SF	\$130

FINANCING

All loans will be paid monthly	12
Construction Loan Over Prime	1%
Phase 1	
Phase 1 Const. Loan Interest	6.5%
Permanent Loan Interest	5.5%
Term (Years)	30
Payoff at EOY	8
Phase II	
Phase II Const. Loan Interest	6.3%
Permanent Loan Interest	5.3%
Term (Years)	30
Payoff at EOY	5
Phase III	
Phase III Const Loan Interest	6.3%
Permanent Loan Interest	5.3%
Term (Years)	30
Payoff at EOY	2
Property Taxes	50.341
	5.03%



RS Means Construction Estimates

Construction cost estimates are for Atlanta and use standard union labor, account for 5% contractor fees, and do not include architectural and engineering fees (calculated separately)

Product Category	RSMeans Construction Type	\$/SF
Residential	Apartment (4-7 story, precast concrete panels/R.Conc. Frame)	\$104
	Apartment (8-24 story with ribbed precast concrete panel/ R/Conc. Frame)	\$136
	Condominium (4-7 story, precast concrete panels/R.Conc. Frame)	\$104
Office	Condominium(8-24 story with ribbed precast concrete panel/ R/Conc. Frame)	\$136
	General Office (11-20 story, green, precast concrete)	\$112
Retail	Medical Office	\$132
	General Retail (store, retail with face brick on concrete block with steel joists)	\$87
Restaurant	Supermarket (face brick with concrete block bak-up/steel frame)	\$87
	Convenience Store (stucco on concrete block/steel frame)	\$89
	Department Store (decorative concrete block / R/Conc. Frame)	\$108
	General Restaurant (stucco on concrete block/steel joists)	\$157
Hotel	Fast Food Restaurant (concrete block with stucco/steel frame)	\$141
	Hotel (8-24 story with face brick with concrete block back-up/R. Conc. Frame)	\$125
	Hostel (dormitory, 4-8 story with decorative concrete block/ R./Conc. Frame)	\$107
Parking	Extended Stay Hotel (8-24 story with face brick with concrete block back-up/R. Conc. Frame)	\$125
	Parking garage (reinforced concrete/ R./Conc. Frame)	\$47
Entertainment	Concert Venue - Auditorium (concrete block/steel frame)	\$124
	Movie Theater (decorative concrete block with steel joists)	\$121
	Mini Golf (raquetball court with concrete block/steel)	\$115

SOURCES

Overall Market Data	CBRE Sales Comparables in Midtown - January 2016
Residential Market Data	CBRE Apartment Outlook Atlanta Q3 2015 Haddow and Company Trulia - Condominium Sale Prices
Employment	JLL Atlanta MSA Employment Update - November 2015
Office Market Data	CBRE Marketview - Atlanta Office, Q4 2015 JLL Atlanta Q4 2015 Office Statistics CBRE Market Snapshot - Downtown Office Q4 2015 CBRE Market Snapshot - Midtown Office Q4 2015 JLL Atlanta Technology Office Outlook 2015
Medical Office Market Data	Colliers International 2015 Medical Office Report
Hotel Market Data	HVS Hotel Cost Development Survey - 2014/2015 Real Capital Analytics - Full-service, Boutique Hotel Property Trades Real Capital Analytics - Extended Stay Hotel Comparable Properties
Local Development	Midtown Alliance - Midtown Commercial Real Estate Maps, Q1 2016
Sales Cap Rates	http://www.irr.com/_FileLibrary/Publication/16/IRR_Viewpoint_2015.pdf
Cost Location Factor	RSMeans Master Format City Cost Index
Permanent loan and construction loa	http://www.realtyrates.com/commercial-mortgage-rates.html
Discount rates	http://www.irr.com/_FileLibrary/Publication/16/IRR_Viewpoint_2015.pdf
AMI	U.S. Department of Housing and Urban Development
Construction Costs	RS Means Square
Affordable condo sales terms	U.S. Department of Housing and Community Development - Affordable Dwelling Units
Bicycle racks	http://www.reliance-foundry.com/bike-storage/bike-racks
Seating units	https://www.theparkcatalog.com/popular-park-benches
Exercise equipment	http://www.outdoor-fitness.com/equipment/lat_pulldown.htm
Cantilever	City of Seattle Typical Improvement Unit Costs (reinforced concrete cantilever + rock-filled concrete + metal cribs) Florida Department of Transportation - Bridge Development Report Cost Estimating
Algae Photo Bio Reactor System	Harvel EnviroKing UV Photo bioreactor pipe system (4" UV thin wall model)
Green Roof	http://www.apexgreenroofs.com/faqs/ http://www.gsa.gov/portal/mediald/167839/fileName/Cost_Benefit_Analysis.action

FINANCING table showing phases 1, 2, and 3 with columns for years 2016-2017 through 2027. Rows include Construction Interest Rate, Total Development Costs, Construction Interest, Development Costs by Phase, Annual % per Phase, Land Value, Equity Sources, and Construction Loan Ending Balance.

PERMANENT FINANCING table showing phases 1, 2, and 3 with columns for years 2018 through 2027. Rows include Loan Phase 1, 2, and 3 with sub-rows for Balance and Annual DS.

PHASE I PERMANENT LOAN ASSUMPTIONS and ANNUAL AMORTIZATION SCHEDULE. Includes table with columns for Year, ADS, Interest, Principal, Balance, and Payments Remaining.

PHASE III PERMANENT LOAN ASSUMPTIONS and ANNUAL AMORTIZATION SCHEDULE. Includes table with columns for Year, ADS, Interest, Principal, Balance, and Payments Remaining.

PHASE II PERMANENT LOAN ASSUMPTIONS and ANNUAL AMORTIZATION SCHEDULE. Includes table with columns for Year, ADS, Interest, Principal, Balance, and Payments Remaining.

MARTA AIR RIGHTS LEASE Assumptions and Annual Payment Summary. Includes table with columns for Year, Total Annual Payments, and Year.

Low Income Housing Tax Credits (LIHTC) Eligible Basis table with columns for Units and Area.

LIHTC Calculation table showing phases 1, 2, and 3 with columns for years 2018 through 2027. Rows include Rental Housing, Eligible Basis, Basis Boost, Applicable Fraction, and Syndication Cost.

FEDERAL BUSINESS ENERGY INVESTMENT TAX CREDIT table showing phases 1, 2, and 3 with columns for years 2018 through 2027. Rows include Algae Photo Bioreactor System Expenses, Photovoltaic Panel Expenses, and Total Expenses Tax Credit.

Sources: IRS https://www.gpo.gov/fdsys/pkg/USCODE-2011-title26/pdf/USCODE-2011-title26-subtitleA-chap1-subchapA-partIV-subpartE-sec48.pdf, REC Solar http://blog.recsolar.com/2014/01/how-to-calculate-the-30-federal-investment-tax-credit-for-solar/

DEMOLITION AND ACQUISITION

SUMMARY		Phase I				Phase II				Phase III				Overall	
2016-2017		2018	2019	2020	Phase I Total	2021	2022	2023	Phase II Total	2024	2025	2026	2027	Phase III Total	
		1	2	3		4	5	6		7	8	9	10		
Appreciation Factor	6%														
Acquisition Cost	\$9,037,275	\$410,724	\$418,938	\$4,347,553	\$5,177,215	\$435,367	\$443,582	\$6,564,046	\$7,442,996	\$460,011	\$468,225	\$476,440	\$484,654	\$1,889,330	\$36,167,028
Option Cost		\$100,327	\$100,327	\$100,327	\$300,980	\$61,123	\$61,123	\$61,123	\$183,368	\$0	\$0	\$0	\$0	\$0	\$968,694
Demo Cost	1.5	\$381,584	\$0	\$0	\$381,584	\$387,249	\$0	\$0	\$387,249	\$341,915	\$0	\$0	\$0	\$341,915	\$1,110,747
Net Acquisition and Demolition Costs		\$892,634	\$519,265	\$4,447,879	\$5,859,778	\$883,739	\$504,704	\$6,625,169	\$8,013,612	\$801,925	\$468,225	\$476,440	\$484,654	\$2,231,245	\$38,246,469

ACQUISITION		Phase I				Phase II				Phase III				Overall	
2016-2017		2018	2019	2020	Phase I Total	2021	2022	2023	Phase II Total	2024	2025	2026	2027	Phase III Total	
		1	2	3		4	5	6		7	8	9	10		
Parcel E Air Rights - Lease		\$410,724	\$418,938	\$427,153	\$1,256,815	\$435,367	\$443,582	\$451,796	\$1,330,746	\$460,011	\$468,225	\$476,440	\$484,654	\$1,889,330	\$7,064,453
Parcel G1	\$9,037,275	-	-	-	\$0	-	-	-	\$0	-	-	-	-	\$0	\$9,037,275
Parcel G2		-	-	-	\$0	-	-	\$6,112,250	\$6,112,250	-	-	-	-	\$0	\$12,224,500
Parcel D1		-	-	\$3,920,400	\$3,920,400	-	-	-	\$0	-	-	-	-	\$0	\$7,840,800
Total	\$9,037,275	\$410,724	\$418,938	\$4,347,553	\$5,177,215	\$435,367	\$443,582	\$6,564,046	\$7,442,996	\$460,011	\$468,225	\$476,440	\$484,654	\$1,889,330	\$36,167,028

OPTION		Phase I				Phase II				Phase III				Overall	
2016-2017		2018	2019	2020	Phase I Total	2021	2022	2023	Phase II Total	2024	2025	2026	2027	Phase III Total	
		1	2	3		4	5	6		7	8	9	10		
Parcel G2		\$61,123	\$61,123	\$61,123	\$183,368	\$61,123	\$61,123	\$61,123	\$183,368	-	-	-	-	0	\$733,470
Parcel D1		\$39,204	\$39,204	\$39,204	\$117,612	-	-	-	0	-	-	-	-	0	\$235,224
		\$100,327	\$100,327	\$100,327	\$300,980	\$61,123	\$61,123	\$61,123	\$183,368	\$0	\$0	\$0	\$0	\$0	\$968,694

Option Cost: 1% of initial valuation of the land annually until time of purchase

DEMOLITION		Phase I				Phase II				Phase III				Overall	
Parcel	2016-2017	2018	2019	2020	Phase I Total	2021	2022	2023	Phase II Total	2024	2025	2026	2027	Phase III Total	
		1	2	3		4	5	6		7	8	9	10		
A		-	-	-	\$0	\$177,185	-	-	\$177,185	-	-	-	-	\$0	\$354,369
B		-	-	-	\$0	\$210,065	-	-	\$210,065	-	-	-	-	\$0	\$420,129
C		\$279,317	-	-	\$279,317	-	-	-	\$0	-	-	-	-	\$0	\$558,633
D		-	-	-	\$0	-	-	-	\$0	\$144,312	-	-	-	\$144,312	\$144,312
E		\$102,267	-	-	\$102,267	-	-	-	\$0	-	-	-	-	\$0	\$204,534
F		-	-	-	\$0	-	-	-	\$0	\$0	-	-	-	\$0	\$0
G		-	-	-	\$0	-	-	-	\$0	\$197,603	-	-	-	\$197,603	\$197,603
H		-	-	-	\$0	-	-	-	\$0	-	-	-	-	\$0	\$0
Total		\$381,584	\$0	\$0	\$381,584	\$387,249	\$0	\$0	\$387,249	\$341,915	\$0	\$0	\$0	\$341,915	\$1,110,747

LAND VALUATION (BASED ON COMPARABLE SALES) (2016)

Parcel	Acres	Square Feet	Price Per Square Foot of Comparable Properties	Estimated Valuation	Status	Phase
A	2.7119	118,123	\$75	\$8,859,225	Owned	2
B	3.2151	140,043	\$75	\$10,503,225	Owned	2
C	4.2747	186,211	\$75	\$13,965,825	Owned	1
D (Total)	2.2087	96,208	\$100	\$9,620,800	Partially Purchased	2
D1 (Purchased)	0.9	39,204	\$100	\$3,920,400	Optioned; Purchased	2
E	1.5652	68,178	\$150	\$10,226,700	Leased	1
G1	1.8041	78,585	\$115	\$9,037,275	Purchased	1; 3
G2	1.2202	53,150	\$115	\$6,112,250	Optioned; Purchased	3
Total	15.6912	630,344	-	\$56,512,650	-	-

Source: Haddow & Company - Midtown Recent Land Sales (2008-2015)

ASSET VALUE BY PRODUCT TYPE		Phase 1			Phase 2			Phase 3			
Cap Rate	2016-2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Apartment	\$0	\$0	\$7,382,841	\$19,581,139	\$20,773,631	\$94,229,817	\$97,056,712	\$99,968,413	\$181,979,826	\$187,439,220	\$259,459,718
Condominium	\$-	\$-	\$-	\$-	\$-	\$72,888,083	\$-	\$-	\$70,694,435	\$-	\$-
Office	\$-	\$-	\$47,789,744	\$114,047,229	\$156,263,946	\$160,951,865	\$165,780,421	\$293,799,619	\$302,613,608	\$311,692,016	\$321,042,777
Medical Office	\$3,813,333	\$3,813,333	\$16,365,612	\$16,742,180	\$16,620,414	\$17,119,026	\$17,632,597	\$18,161,575	\$18,706,422	\$19,267,615	\$19,845,644
Institutional	\$0	\$0	\$10,937,547	\$11,265,674	\$11,603,644	\$11,951,753	\$12,310,306	\$12,679,615	\$13,060,004	\$13,451,804	\$13,855,358
Retail	\$-	\$-	\$34,996,296	\$36,046,185	\$37,127,571	\$56,869,679	\$58,575,769	\$60,333,042	\$105,169,247	\$108,324,325	\$111,574,054
Entertainment	\$-	\$-	\$15,368,870	\$19,787,420	\$20,381,043	\$20,992,474	\$21,622,248	\$22,270,916	\$22,939,043	\$23,627,214	\$24,336,031
Hotel	\$-	\$28,754,039	\$74,041,652	\$76,262,901	\$78,550,788	\$80,907,312	\$83,334,531	\$85,834,567	\$88,409,604	\$91,061,892	\$-
Hostel	\$-	\$-	\$33,630,795	\$34,639,719	\$35,678,911	\$36,749,278	\$37,851,756	\$38,987,309	\$40,156,928	\$41,361,636	\$42,602,485
Extended Stay Hotel	\$-	\$-	\$3,433,182	\$8,840,444	\$9,105,657	\$9,378,827	\$9,660,192	\$9,949,998	\$10,248,498	\$10,555,952	\$10,872,631
Parking	\$107,310,000	\$122,289,903	\$76,425,100	\$80,652,465	\$167,473,526	\$144,755,059	\$152,759,132	\$183,048,140	\$136,605,148	\$143,733,109	\$151,259,425
Total	\$111,123,333	\$154,857,276	\$320,371,640	\$417,865,357	\$553,579,131	\$706,793,174	\$656,583,665	\$825,033,195	\$990,582,763	\$950,514,785	\$954,848,122

OFFICE	factors	2016-2017	Phase I			Phase 2			Phase 3			
			1	2	3	4	5	6	7	8	9	10
			2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Assumptions												
Inflation Factor	3%											
GLA Absorbed (s.f.)												
Net Rentable Area	90%	0%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Occupancy Factor	84%	0%	34%	84%	84%	84%	84%	84%	84%	84%	84%	84%
Net Lease Revenue per s.f.												
Existing SF	0	0	0	0	0	0	0	0	0	0	0	0
New SF	0	337,679	-	-	112,480	-	-	322,504	-	-	-	-
Market Rate Office	0	307,638	-	-	66,693	-	-	306,379	-	-	-	-
Affordable Office	0	-	-	-	3,031	-	-	-	-	-	-	-
Nonprofit Office	0	17,524	-	-	-	-	-	16,125	-	-	-	-
Makers Spaces	0	-	-	-	30,632	-	-	-	-	-	-	-
Shared Office	0	12,517	-	-	12,124	-	-	-	-	-	-	-
Cumulative SF	0	337,679	337,679	337,679	450,159	450,159	450,159	772,663	772,663	772,663	772,663	772,663
Market Rate Office	0	307,638	307,638	307,638	374,331	374,331	374,331	680,710	680,710	680,710	680,710	680,710
Affordable Office	0	-	-	-	3,031	3,031	3,031	3,031	3,031	3,031	3,031	3,031
Nonprofit Office	0	17,524	17,524	17,524	17,524	17,524	17,524	33,649	33,649	33,649	33,649	33,649
Makers Spaces	0	-	-	-	30,632	30,632	30,632	30,632	30,632	30,632	30,632	30,632
Shared Office	0	12,517	12,517	12,517	24,641	24,641	24,641	24,641	24,641	24,641	24,641	24,641
Net Operating Income												
Total Leasing Revenues	\$0	\$0	\$3,754,908	\$8,960,854	\$12,277,881	\$12,646,218	\$13,025,604	\$23,084,256	\$23,776,783	\$24,490,087	\$25,224,790	
Market Rate Office	\$29.00	\$0	\$3,180,177	\$8,188,956	\$10,263,179	\$10,571,074	\$10,888,207	\$20,393,878	\$21,005,695	\$21,635,865	\$22,284,941	
Affordable Office	\$24.65	\$0	\$0	\$0	\$70,634	\$72,754	\$74,936	\$77,184	\$79,500	\$81,885	\$84,341	
Nonprofit Office	\$24.65	\$0	\$458,275	\$472,024	\$486,184	\$500,770	\$515,793	\$1,020,125	\$1,050,728	\$1,082,250	\$1,114,718	
Makers Spaces	\$24.65	\$0	\$0	\$0	\$849,856	\$875,351	\$901,612	\$928,660	\$956,520	\$985,216	\$1,014,772	
Shared Office	\$26.10	\$0	\$116,456	\$299,874	\$608,028	\$626,269	\$645,057	\$664,408	\$684,341	\$704,871	\$726,017	
Operations and Maintenance Expenser per s.f.	30%	\$0	\$0	\$1,126,473	\$2,688,256	\$3,683,364	\$3,793,865	\$3,907,681	\$6,925,277	\$7,133,035	\$7,347,026	\$7,567,437
Net Operating Income	\$0	\$0	\$2,628,436	\$6,272,598	\$8,594,517	\$8,852,353	\$9,117,923	\$16,158,979	\$16,643,748	\$17,143,061	\$17,657,353	
Development Costs												
Percent Built by Year	0.00%	43.70%	43.70%	43.70%	58.26%	58.26%	58.26%	100.00%	100.00%	100.00%	100.00%	
Development Costs	\$112	\$0	\$38,954,649	\$0	\$14,178,890	\$0	\$0	\$44,423,595	\$0	\$0	\$0	
Soft Costs	20%	\$0	\$7,790,930	\$0	\$2,835,778	\$0	\$0	\$8,884,719	\$0	\$0	\$0	
Architecture & Engineering Fees	5%	\$1,947,732	\$0	\$708,944	\$0	\$0	\$2,221,180	\$0	\$0	\$0	\$0	
Infrastructure Costs	\$2	\$0	\$675,358	\$0	\$224,960	\$0	\$0	\$645,008	\$0	\$0	\$0	
Total Development Costs	\$1,947,732	\$47,420,937	\$0	\$708,944	\$17,239,628	\$0	\$2,221,180	\$53,953,322	\$0	\$0	\$0	
Annual Cash Flow												
Net Operating Income	\$0	\$0	\$2,628,436	\$6,272,598	\$8,594,517	\$8,852,353	\$9,117,923	\$16,158,979	\$16,643,748	\$17,143,061	\$17,657,353	
Asset Value	5.50%	\$0	\$0	\$47,789,744	\$114,047,229	\$156,263,946	\$160,951,865	\$165,780,421	\$293,799,619	\$302,613,608	\$311,692,016	\$321,042,777
Costs of Sale	3%											\$9,631,283
Total Development Costs		\$1,947,732	\$47,420,937	\$0	\$708,944	\$17,239,628	\$0	\$2,221,180	\$53,953,322	\$0	\$0	\$0
Net Cash Flow		-\$1,947,732	-\$47,420,937	\$2,628,436	\$5,563,653	-\$8,645,111	\$8,852,353	\$6,896,743	-\$37,794,343	\$16,643,748	\$17,143,061	\$329,068,846
Net Present Value	5.50%	\$145,117,119										
Unleveraged IRR Before Taxes	24%											

OFFICE USE BY PARCEL	Parcel A		Parcel B		Parcel C		Parcel D		Parcel E		Parcel G	
	Phase II		Phase II		Phase I		Phase II		Phase I		Phase III	
	SF	Percent SF	SF	Percent SF	SF	Percent SF	SF	Percent SF	SF	Percent SF	SF	Percent SF
Total Office	60,618	100%	51,862	100%	250,344	100%	0	0%	87,335	100.00%	322,504	84%
Market Rate Office	27,278	45%	39,415	76%	220,303	88%	0	0%	87,335	100.00%	306,379	95%
Affordable Office	3,031	5%	-	0%	-	0%	0	0%	-	0	-	0%
Nonprofit Office	-	0%	-	0%	17,524	7%	0	0%	-	0	16,125	5%
Makers Spaces	18,185	30%	12,447	24%	-	0%	0	0%	-	0	-	0%
Shared Office	12,124	20%	-	0%	12,517	5%	0	0%	-	0	-	0%

DISCOUNTED RENTS FOR THE ATLANTA FILM SOCIETY, THE CITY OF ATLANTA ENTERTAINMENT TRAINING PROGRAM, AND AN EVENT PROGRAMMING ORGANIZATION BRING KEY USERS TO THE SITE.

MEDICAL OFFICE			Phase I			Phase 2			Phase 3			
2016-2017	1	2	3	4	5	6	7	8	9	10	2027	
factors	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027		
Assumptions												
Inflation Factor	3%											
GLA Absorbed (s.f.)												
Existing SF (Concentra)	13,000	13,000	13,000	13,000	0	0	0	0	0	0	0	
New SF	0	52,401	0	0	13,000	0	0	0	0	0	0	
Cumulative Built SF	0	52,401	52,401	52,401	65,401	65,401	65,401	65,401	65,401	65,401	65,401	
Net Rentable Area	90%	0%	47,161	47,161	47,161	58,861	58,861	58,861	58,861	58,861	58,861	
Occupancy Factor	84%	0%	0%	84%	84%	84%	84%	84%	84%	84%	84%	
Net Lease Revenue per s.f.												
Net Operating Income												
Leasing Revenues	\$32.00	\$0	\$0	\$1,344,887	\$1,385,234	\$1,780,759	\$1,834,181	\$1,889,207	\$1,945,883	\$2,004,260	\$2,064,387	\$2,126,319
Existing Tenant Revenues	\$22.00	\$286,000	\$286,000	\$286,000	\$286,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operations and Maintenance												
Expenser per s.f.	30%	\$0	\$0.00	\$403,466.10	\$415,570.09	\$534,227.59	\$550,254.42	\$566,762.05	\$583,764.92	\$601,277.86	\$619,316.20	\$637,895.69
Net Operating Income		\$286,000	\$286,000	\$1,227,421	\$1,255,664	\$1,246,531	\$1,283,927	\$1,322,445	\$1,362,118	\$1,402,982	\$1,445,071	\$1,488,423
Development Costs												
Percent Built by Year	0%	80%	80%	80%	100%	100%	100%	100%	100%	100%	100%	100%
Development Costs	\$139	\$0	\$7,502,251	\$0	\$0	\$2,033,794	\$0	\$0	\$0	\$0	\$0	\$0
Soft Costs	20%	\$0	\$1,500,450	\$0	\$0	\$406,759	\$0	\$0	\$0	\$0	\$0	\$0
Architecture & Engineering Fees	5%	\$375,113	\$0	\$0	\$101,690	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Infrastructure Costs	\$2	\$0	\$104,802	\$0	\$0	\$26,000	\$0	\$0	\$0	\$0	\$0	\$0
Total Development Costs		\$375,113	\$9,107,503	\$0	\$101,690	\$2,466,553	\$0	\$0	\$0	\$0	\$0	\$0
Annual Cash Flow												
Net Operating Income		\$286,000	\$286,000	\$1,227,421	\$1,255,664	\$1,246,531	\$1,283,927	\$1,322,445	\$1,362,118	\$1,402,982	\$1,445,071	\$1,488,423
Asset Value	7.50%	\$3,813,333	\$3,813,333	\$16,365,612	\$16,742,180	\$16,620,414	\$17,119,026	\$17,632,597	\$18,161,575	\$18,706,422	\$19,267,615	\$19,845,644
Costs of Sale	3%											\$595,369
Net Present Value	5.50%		\$8,981,594									
Unleveraged IRR Before Taxes	17%											

MEDICAL OFFICE BY PARCEL			
A	2	0	-
B	2	13,000 sf	Concentra Urgent Care Center
C	1	0	-
D	2	0	-
E	1	52,401 sf	Medical offices
G	3	0	-

SCHOOL			Phase I			Phase 2			Phase 3			
2016-2017	1	2	3	4	5	6	7	8	9	10	2027	
factors	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027		
Assumptions												
Inflation Factor	3%											
GLA Absorbed (s.f.)												
Net Rentable Area	90%											
New SF	-	47,130	-	-	-	-	-	-	-	-	-	
Cumulative SF	-	47,130	47,130	47,130	47,130	47,130	47,130	47,130	47,130	47,130	47,130	
Occupancy Factor	100%	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Net Lease Revenue per s.f.												
Net Operating Income												
Leasing Revenues	\$25.00	\$325,000	\$0	\$1,250,005	\$1,287,506	\$1,326,131	\$1,365,915	\$1,406,892	\$1,449,099	\$1,492,572	\$1,537,349	\$1,583,469
Operations and Maintenance												
Expenser per s.f.	30%	\$97,500	\$0	\$375,002	\$386,252	\$397,839	\$409,774	\$422,068	\$434,730	\$447,772	\$461,205	\$475,041
Net Operating Income		\$227,500	\$0	\$875,004	\$901,254	\$928,292	\$956,140	\$984,824	\$1,014,369	\$1,044,800	\$1,076,144	\$1,108,429
Development Costs												
Percent Built by Year	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Development Costs	\$112	\$0	\$5,278,560	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Soft Costs	20%	\$0	\$1,055,712	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Architecture & Engineering Fees	5%	\$263,928	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Infrastructure Costs	\$2	\$0	\$94,260	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Development Costs		\$263,928	\$6,428,532	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Cash Flow												
Net Operating Income		\$227,500	\$0	\$875,004	\$901,254	\$928,292	\$956,140	\$984,824	\$1,014,369	\$1,044,800	\$1,076,144	\$1,108,429
Asset Value	8.00%	\$0	\$0.00	\$10,937,547	\$11,265,674	\$11,603,644	\$11,951,753	\$12,310,306	\$12,679,615	\$13,060,004	\$13,451,804	\$13,855,358
Costs of Sale	3%	\$0										\$415,661
Total Development Costs		\$263,928	\$6,428,532	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow		-36,428	-6,428,532	875,004	901,254	928,292	956,140	984,824	1,014,369	1,044,800	1,076,144	14,548,126
Net Present Value	10.00%		\$3,978,740									
Unleveraged IRR Before Taxes	20%											

HOTEL			Phase 1			Phase 2				Phase 3		
			1	2	3	4	5	6	7	8	9	10
factors	2016-2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Assumptions												
Inflation Factor	3%											
Average Room Size (SF)	180											
Area Per Floor	9,555											
Number of Floors	8											
Cumulative Square Feet Built		76,440	76,440	76,440	76,440	76,440	76,440	76,440	76,440	76,440	76,440	
New Square Feet Built		76,440										
New Rooms Built		340	0	0	0	0	0	0	0	0	0	
Rooms Completed		340	340	340	340	340	340	340	340	340	340	
Occupancy Rate	75%	0%	30%	75%	75%	75%	75%	75%	75%	75%	75%	
Occupied Rooms		0	101.92	254.8	254.8	254.8	254.8	254.8	254.8	254.8	254.8	
Average Daily Room Rate	\$170	\$175	\$180	\$186	\$191	\$197	\$203	\$209	\$215	\$222	\$228	
Annual Room Revenue		\$0	\$6,709,276	\$17,276,385	\$17,794,677	\$18,328,517	\$18,878,373	\$19,444,724	\$20,028,066	\$20,628,908	\$21,247,775	
Net Operating Income												
Room Revenues		\$0	\$6,709,276	\$17,276,385	\$17,794,677	\$18,328,517	\$18,878,373	\$19,444,724	\$20,028,066	\$20,628,908	\$21,247,775	
Other Revenues												
Total Revenues		\$0	\$6,709,276	\$17,276,385	\$17,794,677	\$18,328,517	\$18,878,373	\$19,444,724	\$20,028,066	\$20,628,908	\$21,247,775	
Total Revenues as Percentage of Gross Revenue												
Annual Operating Expenses	35%	\$0	\$2,348,247	\$6,046,735	\$6,228,137	\$6,414,981	\$6,607,430	\$6,805,653	\$7,009,823	\$7,220,118	\$7,436,721	
Annual Other Expenses	35%	\$0	\$2,348,247	\$6,046,735	\$6,228,137	\$6,414,981	\$6,607,430	\$6,805,653	\$7,009,823	\$7,220,118	\$7,436,721	
Net Operating Income		\$0	\$2,012,783	\$5,182,916	\$5,338,403	\$5,498,555	\$5,663,512	\$5,833,417	\$6,008,420	\$6,188,672	\$6,374,332	
Development Costs												
Percent Built by Year		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Construction Costs	\$125	\$9,555,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Soft Costs	20%	\$1,911,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Infrastructure Costs	\$2	\$157,466	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Development Costs		\$11,623,466	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Annual Cash Flow												
Net Operating Income		\$0	\$2,012,783	\$5,182,916	\$5,338,403	\$5,498,555	\$5,663,512	\$5,833,417	\$6,008,420	\$6,188,672	\$6,374,332	
Asset Value	7%	\$0	\$28,754,039	\$74,041,652	\$76,262,901	\$78,550,788	\$80,907,312	\$83,334,531	\$85,834,567	\$88,409,604	\$91,061,892	
Costs of Sale	3%										\$2,731,857	
Total Development Costs		\$11,623,466	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net Cash Flow		-\$11,623,466	\$2,012,783	\$5,182,916	\$5,338,403	\$5,498,555	\$5,663,512	\$5,833,417	\$6,008,420	\$6,188,672	\$94,704,368	
Discount Rate	10%											
Net Present Value		\$50,181,619										
Unleveraged IRR Before Taxes		47%										

HOSTEL			Phase 1			Phase 2				Phase 3		
			1	2	3	4	5	6	7	8	9	10
factors	2016-2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Assumptions												
Inflation Factor	3%											
Average Room Size (SF)	108											
Area Per Floor	9,926	91.91										
Number of Floors	5											
New Square Feet Built		49,630	0	0	0	0	0	0	0	0	0	
Total Square Feet Built		49,630	49,630	49,630	49,630	49,630	49,630	49,630	49,630	49,630	49,630	
Single Rooms (Shared Kitchen/Living) Built	5	655	267	0	0	0	0	0	0	0	0	
Single Rooms (Shared Bath) Built		291	119	0	0	0	0	0	0	0	0	
Private rooms with bath			25	0	0	0	0	0	0	0	0	
Total New Rooms Built		946	386	0	0	0	0	0	0	0	0	
Rooms Completed		0	386	386	386	386	386	386	386	386	386	
Occupied Rooms	75%	0	289.5	289.5	289.5	289.5	289.5	289.5	289.5	289.5	289.5	
Average Daily Room Rate	\$80	\$82	\$85	\$87	\$90	\$93	\$96	\$98	\$101	\$104	\$108	
Annual Room Revenue		\$0	\$8,968,212	\$9,237,258	\$9,514,376	\$9,799,807	\$10,093,802	\$10,396,616	\$10,708,514	\$11,029,770	\$11,360,663	
Net Operating Income												
Room Revenues		\$0	\$8,968,212	\$9,237,258	\$9,514,376	\$9,799,807	\$10,093,802	\$10,396,616	\$10,708,514	\$11,029,770	\$11,360,663	
Other Revenues												
Total Revenues		\$0	\$8,968,212	\$9,237,258	\$9,514,376	\$9,799,807	\$10,093,802	\$10,396,616	\$10,708,514	\$11,029,770	\$11,360,663	
Total Revenues as Percentage of Gross												
Annual Operating Expenses	35%	\$0	\$3,138,874	\$3,233,040	\$3,330,032	\$3,429,933	\$3,532,831	\$3,638,816	\$3,747,980	\$3,860,419	\$3,976,232	
Annual Other Expenses	35%	\$0	\$3,138,874	\$3,233,040	\$3,330,032	\$3,429,933	\$3,532,831	\$3,638,816	\$3,747,980	\$3,860,419	\$3,976,232	
Net Operating Income		\$0	\$2,690,464	\$2,771,178	\$2,854,313	\$2,939,942	\$3,028,141	\$3,118,985	\$3,212,554	\$3,308,931	\$3,408,199	
Net Operating Income												
Room Revenues		\$0	\$8,968,212	\$9,237,258	\$9,514,376	\$9,799,807	\$10,093,802	\$10,396,616	\$10,708,514	\$11,029,770	\$11,360,663	
Other Revenues												
Total Revenues		\$0	\$8,968,212	\$9,237,258	\$9,514,376	\$9,799,807	\$10,093,802	\$10,396,616	\$10,708,514	\$11,029,770	\$11,360,663	
Total Revenues as Percentage of Gross												
Annual Operating Expenses	35%	\$0	\$3,138,874	\$3,233,040	\$3,330,032	\$3,429,933	\$3,532,831	\$3,638,816	\$3,747,980	\$3,860,419	\$3,976,232	
Annual Other Expenses	35%	\$0	\$3,138,874	\$3,233,040	\$3,330,032	\$3,429,933	\$3,532,831	\$3,638,816	\$3,747,980	\$3,860,419	\$3,976,232	
Net Operating Income		\$0	\$2,690,464	\$2,771,178	\$2,854,313	\$2,939,942	\$3,028,141	\$3,118,985	\$3,212,554	\$3,308,931	\$3,408,199	
Development Costs												
Percent Built by Year		100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Construction Costs	\$107	\$5,469,722	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Soft Costs	20%	\$1,093,944	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Infrastructure Costs	\$2	\$102,238	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Development Costs		\$6,665,905	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Annual Cash Flow												
Net Operating Income		\$0	\$2,690,464	\$2,771,178	\$2,854,313	\$2,939,942	\$3,028,141	\$3,118,985	\$3,212,554	\$3,308,931	\$3,408,199	
Asset Value	8%	\$0	\$33,630,795	\$34,639,719	\$35,678,911	\$36,749,278	\$37,851,756	\$38,987,309	\$40,156,928	\$41,361,636	\$42,602,485	
Costs of Sale	3%										\$1,278,075	
Total Development Costs		\$6,665,905	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net Cash Flow		-\$6,665,905	\$2,690,464	\$2,771,178	\$2,854,313	\$2,939,942	\$3,028,141	\$3,118,985	\$3,212,554	\$3,308,931	\$44,732,609	
Discount Rate	10%											
Net Present Value		\$25,478,830										
Unleveraged IRR Before Taxes		50%										

