

The Townhomes at SWP

1/25/2021

BUDGET SUMMARY	
Acquisition	\$475,000
Site Work - Off Site - Off Site Storm and Sewer Improvements	\$705,067
Mining Remediation	\$2,169,404
Site Work - On Site	\$2,147,912
Site Monuments	\$120,000
Building Improvements	\$21,912,000
Construction Carry	\$1,651,618
Site Work A&E - Construction Management	\$253,003
A&E Lowenstein Road Relocation	\$103,018
Legal, Development Fee's and Closing Costs	\$787,008
Site Permits and Fee's	\$138,372
Total Development Costs	\$30,462,403

STABILIZED OPERATING PROFORMA				
	Phase I	Phase II	Phase III	Phase IV
Gross Revenue				
Potential Net Revenue	\$ 488,687	\$ 597,284	\$ 678,732	\$ 488,687
Effective Gross Revenue	\$ 488,687	\$ 597,284	\$ 678,732	\$ 488,687
Operating Expenses				
Management		3.00%	\$ 14,661	\$ 17,919
Vacancy Allowance		7.50%	\$ 36,652	\$ 44,796
Total Operating Expenses	\$ 51,312	\$ 62,715	\$ 71,267	\$ 51,312
Net Operating Income	\$ 437,375	\$ 534,569	\$ 607,465	\$ 437,375

CASHFLOW		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Operating Income (NOI)	1.00%	\$ -	\$ 660,112	\$ 1,870,992	\$ 2,016,784	\$ 2,036,952	\$ 2,057,321	\$ 2,077,895	\$ 2,098,674	\$ 2,119,660	\$ 2,140,857	\$ 2,162,265
SOURCES / USES												
Uses												
Total Development Costs		\$ 13,708,081	\$ 12,794,209	\$ 3,960,112								
Total Uses		\$ 13,708,081	\$ 12,794,209	\$ 3,960,112	\$ -							
Sources												
Est. Tax Abatement Savings - 50%		\$ -	\$ 31,841	\$ 71,101	\$ 131,213	\$ 133,181	\$ 135,179	\$ 137,207	\$ 139,265	\$ 141,354	\$ 143,474	\$ 1,829,007
Est. Sales Tax Exemption Savings		\$ 365,869	\$ 341,477	\$ 105,695								
Private Capital and Debt		\$ 13,342,212	\$ 12,420,891	\$ 3,783,316								\$ (1,829,007)
Total Sources		\$ 13,708,081	\$ 12,794,209	\$ 3,960,112								\$ -
Future Sale												
Gross Revenue Proceeds (x% Cap Rate)	7.00%											\$ 30,889,507
Sales Cost	3.25%											\$ (1,003,909)

UNLEVERAGED CASH FLOW ANALYSIS (BEFORE DEBT)		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Cashflows with No Private Public Partnership Incentives												
Internal Rate of Return (IRR)	6.58%	\$ (13,708,081)	\$ (12,134,097)	\$ (2,089,120)	\$ 2,016,784	\$ 2,036,952	\$ 2,057,321	\$ 2,077,895	\$ 2,098,674	\$ 2,119,660	\$ 2,140,857	\$ 32,047,863
Cashflows with Private Public Partnership Incentives												
Internal Rate of Return (IRR)	7.83%	\$ (13,342,212)	\$ (11,760,779)	\$ (1,912,324)	\$ 2,147,997	\$ 2,170,133	\$ 2,192,500	\$ 2,215,101	\$ 2,237,938	\$ 2,261,014	\$ 2,284,331	\$ 33,876,871

Notes:

- (1) NOI for each Phase is projected to Increase 1.00% annually after stabilization
- (2) Sale Cap Rate is Gross of Selling Expenses
- (3) These projections are an estimate based on assumptions of future income and expenses and the probability that the projected results will be achieved cannot be assured

BUDGET SUMMARY	
Acquisition	\$475,000
Site Work - Off Site - Lowenstein Road 1/2 Improvements - Off Site Storm Water and Sanitary Sewer Improvements	\$705,067
Mining Remediation	\$2,169,404
Site Work - On Site	\$2,147,912
Site Monuments	\$120,000
Building Improvements	\$21,912,000
Construction Carry	\$1,651,618
Site Work A&E - Construction Management	\$253,003
A&E Lowenstein Road Relocation	\$103,018
Legal, Development Fee's and Closing	\$787,008
Site Permits and Fee's	\$138,372
Total Estimated Development Costs	\$30,462,403

Estimated RET NPV's - for LCRA					
Est. Annual RET Per Unit:	\$3,069				
RET PSF	\$1.65				
Total Units	83				
Annual RET	\$254,727				
Annual Escalation	1.50%				
NPV Discount Rate:	5.00%				
	Projected RET for 25 Years	Tax Abatement 50% 25 Years	Taxes Paid to Taxing Jurisdictions 50%	Current Taxes being paid on Property	Increase to Taxing Jurisdictions
Year	100%	50%	50%		
1	\$254,727	\$127,364	\$127,364	\$100	\$127,264
2	\$258,548	\$129,274	\$129,274	\$102	\$129,172
3	\$262,426	\$131,213	\$131,213	\$103	\$131,110
4	\$266,363	\$133,181	\$133,181	\$105	\$133,077
5	\$270,358	\$135,179	\$135,179	\$106	\$135,073
6	\$274,413	\$137,207	\$137,207	\$108	\$137,099
7	\$278,530	\$139,265	\$139,265	\$109	\$139,155
8	\$282,707	\$141,354	\$141,354	\$111	\$141,243
9	\$286,948	\$143,474	\$143,474	\$113	\$143,361
10	\$291,252	\$145,626	\$145,626	\$114	\$145,512
11	\$295,621	\$147,811	\$147,811	\$116	\$147,694
12	\$300,055	\$150,028	\$150,028	\$118	\$149,910
13	\$304,556	\$152,278	\$152,278	\$120	\$152,159
14	\$309,125	\$154,562	\$154,562	\$121	\$154,441
15	\$313,761	\$156,881	\$156,881	\$123	\$156,758
16	\$318,468	\$159,234	\$159,234	\$125	\$159,109
17	\$323,245	\$161,622	\$161,622	\$127	\$161,496
18	\$328,094	\$164,047	\$164,047	\$129	\$163,918
19	\$333,015	\$166,507	\$166,507	\$131	\$166,377
20	\$338,010	\$169,005	\$169,005	\$133	\$168,872
21	\$343,080	\$171,540	\$171,540	\$135	\$171,405
22	\$348,227	\$174,113	\$174,113	\$137	\$173,977
23	\$353,450	\$176,725	\$176,725	\$139	\$176,586
24	\$358,752	\$179,376	\$179,376	\$141	\$179,235
25	\$364,133	\$182,066	\$182,066	\$143	\$181,924
Gross Amounts	\$7,657,864	\$3,828,932	\$3,828,932	\$3,006	\$3,825,926
NPV Amounts	\$4,159,560	\$2,079,780	\$2,079,780	\$1,633	\$2,078,147

Estimated Savings - Construction Materials Sales Tax:	
Total Estimated Development Cost:	30,462,403
Percentage of Const. Materials:	34%
Estimated \$ Amount of Const. Materials:	10,357,217
Estimate Sales Tax Rate:	7.85%
Estimated Savings:	\$ 813,042

Incentive Request vs. Total Development Costs	
Total Estimated Development Costs	\$30,462,403
Tax Abatement NPV - 50% over 25 Years	\$2,079,780
Estimated Savings on Sales Tax Exemption on Construction Materials	\$813,042
Total Incentive Request - related to Off Site Improvements and Mining Remediation line items above	\$2,892,821
Percentage of Incentive vs. Total Development Costs	9.50%

Project Schedule/Phasing	Units	% of Units	Construction Start	Const. Months	Delivery
Phase I	18	21.69%	May-21	10.50	Mar-22
Phase II	22	26.51%	Aug-21	10.50	Jun-22
Phase III	25	30.12%	Dec-21	10.50	Oct-22
Phase IV	18	21.69%	May-22	10.50	Mar-23
Total	83	100.00%			
Total Phasing Months from Const. Start to Phase IV Delivery:				22.67	

Notes:

(1) These projections are an estimate based on assumptions of future income and expenses and the probability that the projected results will be achieved cannot be assured