



# TOWN OF NORTHBOROUGH ECONOMIC FEASIBILITY ANALYSIS

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PREPARED BY RKG ASSOCIATES



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# **INTRODUCTION**

## **ECONOMIC FEASIBILITY ANALYSIS**

# BACKGROUND



Section 4.B “Affordability Requirements” of EOHLC’s Compliance Guidelines for Multi-Family Zoning Districts has set limitations related to affordability requirements to ensure consistency with the state’s law for as-of-right zoning.

Specifically, municipalities must require no more than 10% of units in a project to be affordable units, and the cap on income of families or individuals who are eligible to occupy those units at no less than 80% of Area Median income.

Exception to this guidance is permitted for affordability requirements between 10% and 20% of affordable units if it is supported by an Economic Feasibility Analysis.

An abstract graphic on the left side of the slide. It features a light gray grid background. Scattered across the grid are several circles in various colors: blue, green, orange, pink, and gray. Below the grid, there is a stylized bar chart with vertical bars of varying heights, some of which are filled with a green and white striped pattern. A large, semi-transparent green circle is positioned in the foreground, partially overlapping the bar chart.

# **METHODOLOGY & MODELING INPUTS**

**ECONOMIC FEASIBILITY  
ANALYSIS**

# METHODOLOGICAL OVERVIEW

THE ECONOMIC FEASIBILITY MODEL IS A PROFORMA-BASED EXCEL MODEL THAT IS DESIGNED TO TEST THE FINANCIAL IMPACT OF POTENTIAL POLICY CHANGES AGAINST THE FINANCIAL RISK/REWARD OF A POTENTIAL INVESTMENT.

RKG's economic feasibility model uses locally-sourced data to determine how changes to inclusionary zoning could impact the financial performance of a potential project. At its most basic level, the model is designed to capture construction and operational costs and compare those to potential revenues to determine if the project will meet or exceed local return expectations.

The model has the capability to test variations across nearly all data points to test the sensitivity of dozens of variables on financial feasibility. This includes variability in construction costs, land costs, operational costs, development type and size, location within the community, and more. The model is also set up to test changes in affordability metrics such as the percentage of affordable units, target AMIs, unit thresholds, and more.

While the model is a powerful tool to understand the impacts of changes to inclusionary zoning and the sensitivity of modifying assumptions, it is not intended to be the only analytic or encapsulate the exact specifics of a deal.

# BASIC MODELING COMPONENTS

The economic feasibility modeling is based upon three principal components: **construction costs**, **operational revenues**, and **operational costs**. Each component relies upon several market-based and financial inputs for the model to be effective. The primary inputs for which local data was derived include, but is not limited to:

## Construction Costs

- Soft costs – design and preparation
- Hard costs – materials and construction
- Land costs – physical location

## Operation Costs

- Financing costs – debt and equity to pay for the project
- Marketing, management, repairs, property taxes

## Operational Revenues

- Rental rates and sale prices
- Parking revenue

# MODELING ASSUMPTIONS

To conduct an economic feasibility analysis for the proposed zoning, RKG must make several qualifications and assumptions to create a series of archetypal development projects that would trigger the affordability requirement based on the zoning. It should be noted that these development scenarios do not include any site-specific information, agreed-upon purchase prices, site plans or building designs. More specifically:

- There are no architectural plans or building specific plans/estimates.
- The model assumes the parcel is easily developable meaning hard cost estimates for new construction do not assume added costs such as major site improvements, blasting, demolition, or infrastructure costs.
- Land costs are derived from residual land values, assessment data and market comparable as this model is not an actual site-specific land acquisition pro forma.
- Construction hard costs and assumptions are based on an average within the market and are derived from interviews with developers and contractors as well as data RSMeans.
- Interest rates and financial assumptions are based on the point of time of the analysis. Evolving macroeconomic conditions can alter the financing of projects such as a slow down in rent growth, higher costs of capital, and changing cap rates.



# EFA ASSUMPTIONS CHECKLIST

Construction Costs	Input	Source
Land Acquisition (per unit)	\$40,000	Assessment Data; Residual Land Est.
Total Land Costs	Variable	Assessment Data
Soft Costs (percentage of hard costs)	20%	Local Developers
<b>Hard Costs (per SQFT)</b>		
Residential	-	RS Means
Commercial Stick Built	\$245	RS Means/Developers
Commercial Podium	\$280	RS Means
Commercial Steel	-	RS Means
<b>Parking Assumptions</b>		
Parking Ratio (unit dependent)	1 - 2	Town of Northborough
<b>Parking Cost by Type</b>		
Surface (per space)	\$5,000	Local Construction
Structured (per space)	\$35,000	Local Developers
Underground (per space)	\$75,000	Local Developers
<b>Operations &amp; Expenses</b>		
VACL (percentage)	5%	Moody's Analytics
Operating Expense (% of EGI)	23%	Local Developers



# EFA ASSUMPTIONS CHECKLIST

Revenue Sources	Input	Source
<b>Rents by Bed Count (per SQFT)*</b>		
Studio/Efficiency	\$3.89	CoStar/Market Comps
One Bedroom	\$3.21	CoStar/Market Comps
Two Bedroom	\$2.44	CoStar/Market Comps
Three Bedroom	\$2.34	CoStar/Market Comps
<b>Sale Value (per SQFT)</b>		
<b>Other Income</b>		
Parking Revenue (surface/structured) (per month per space)	\$50/\$150	Local Developers
On-Site Laundry (per month)	N/A	N/A
Other (please list)	N/A	N/A
Financial	Input	Source
Lending Rate (Percentage)	7%	Local Developers / CoStar
Lending Term (Years)	30	
Debt Equity Ratio	70/30	
Cap Rate	5%	
<b>Return Expectations</b>		
Internal Rate of Return (IRR)	15%	
Return on Cost (ROC)	6.5%	
Cash on Cash (CoC)	5.5%	



# MODEL OUTPUTS

THE CORE FUNCTION OF THE ECONOMIC FEASIBILITY MODEL IS TO UNDERSTAND HOW CHANGES IN POLICY AND PROJECT TYPE IMPACT FINANCIAL RETURNS COMPARED TO MARKET EXPECTATIONS.

## FINANCIAL ANALYSES

The model measures three financial outcomes using three different metrics; Cash on Cash (COC), Return on Cost (ROC), Internal Rate of Return (IRR). Each measure represents a decision point for those involved in the transactions that make residential development financially feasible:

- COC – Investors/Developers
- ROC – Investors/Developers
- IRR – Developers/Operators

## PROJECT EXAMPLES

To test the financial implications of different project types in the districts, the model was constructed with data local to Northborough and its submarket and scenarios were generated using a range of project sizes that matched what the MBTA Compliance Model projected for each district.

To highlight these differences, this report provides examples of how different development and district assumptions can impact economic feasibility.

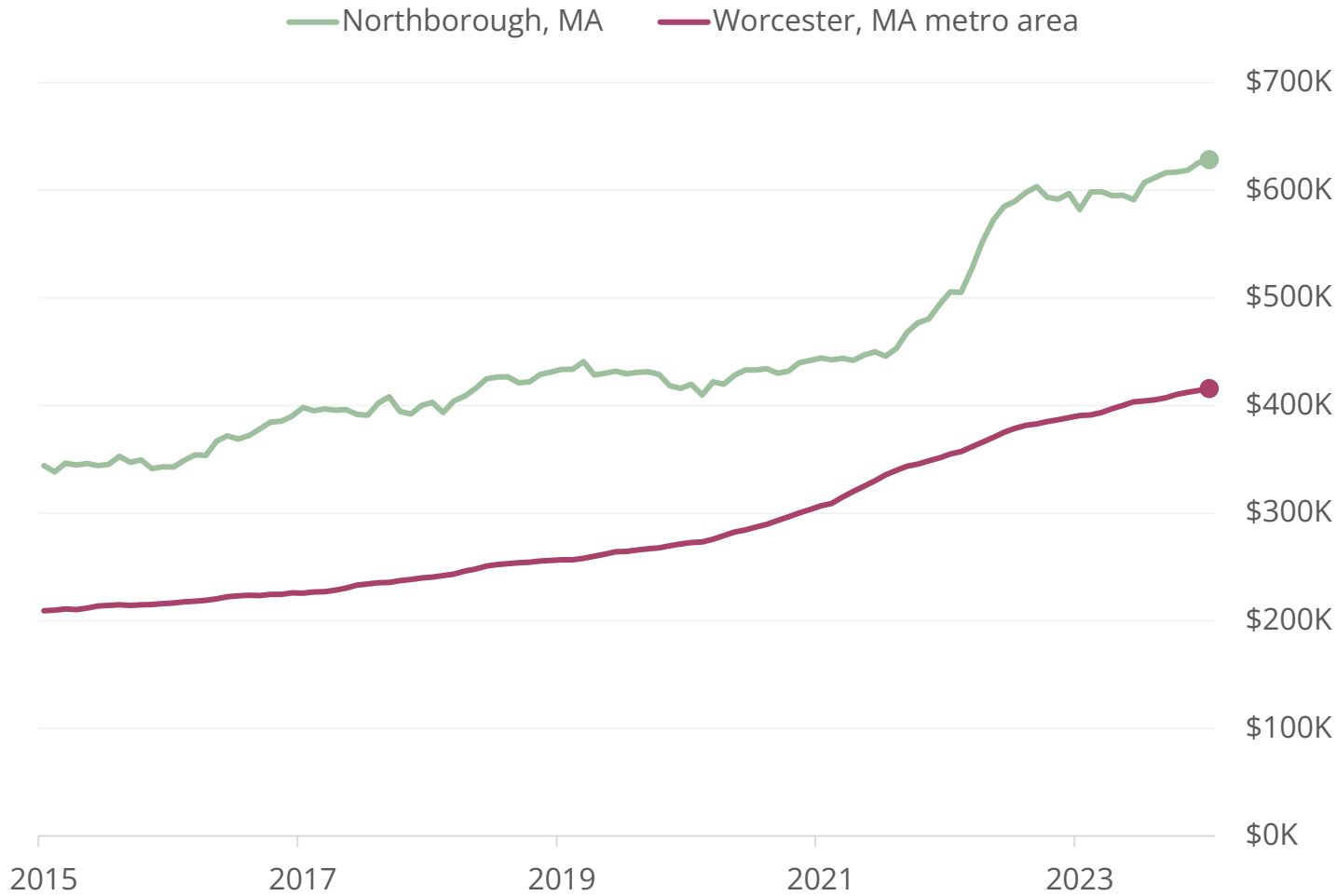


# **MARKET ASSESSMENT**

**ECONOMIC FEASIBILITY  
ANALYSIS**

# MARKET ASSESSMENT

Northborough Median Sale Price  
Single Family 12-month moving average



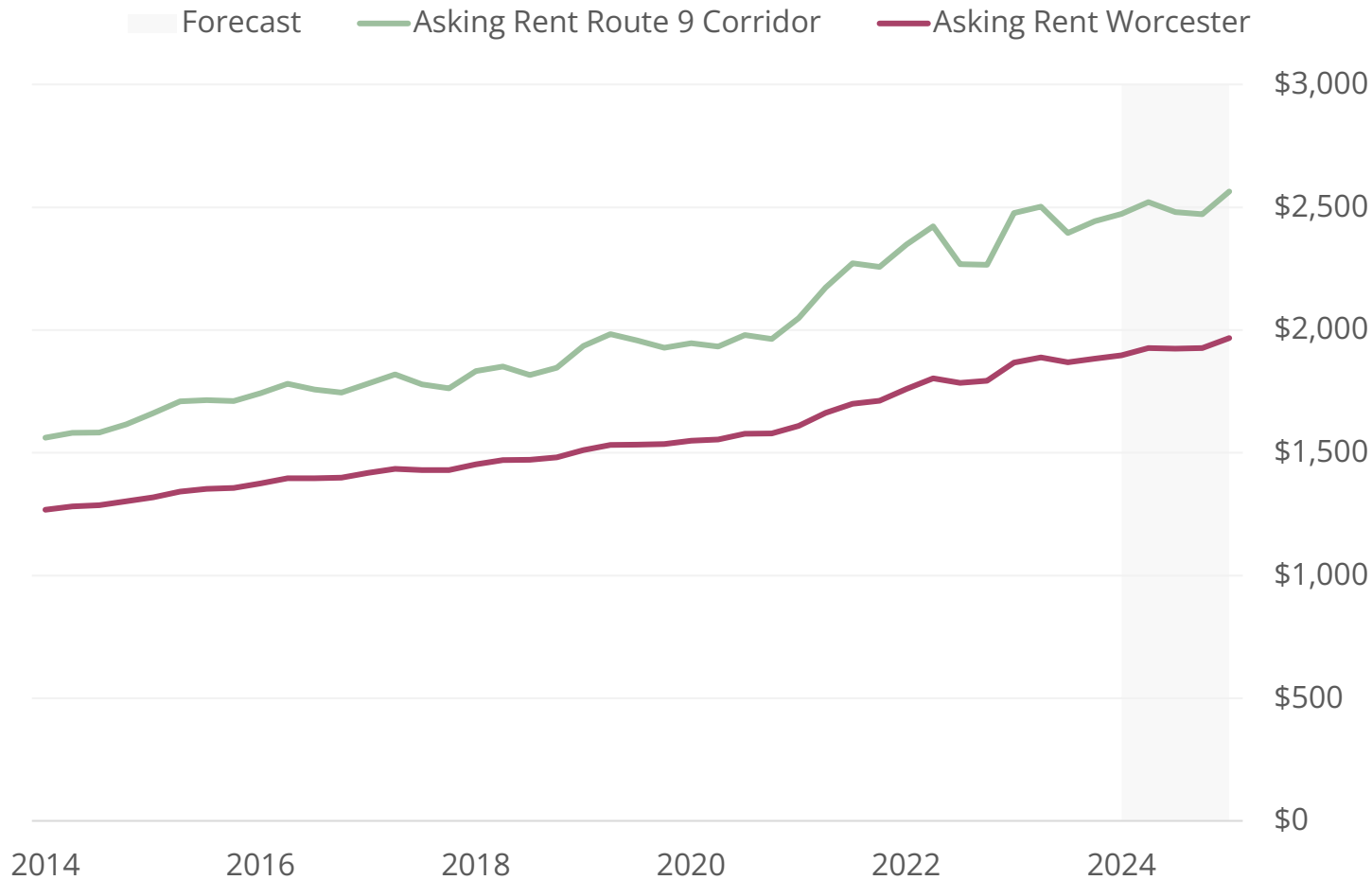
Like most of Massachusetts, single family home prices in Northborough saw considerable home price growth.

Median sale prices in Northborough throughout the last few years have exceeded those of the Worcester metro area. Low inventories throughout the metro have continued to contribute to these high home prices.

Rising home prices positively correlate with rents meaning that as home prices have grown, so too have rents in Northborough and the Worcester metro. While rents have seen some softening in recent quarters, limited for-sale inventories continue to drive high asking prices and asking rents as the high-rate environment continues to keep many households from purchasing a home.

# MARKET ASSESSMENT

## Asking Rent Per Unit Comparison Submarket vs Worcester Metro

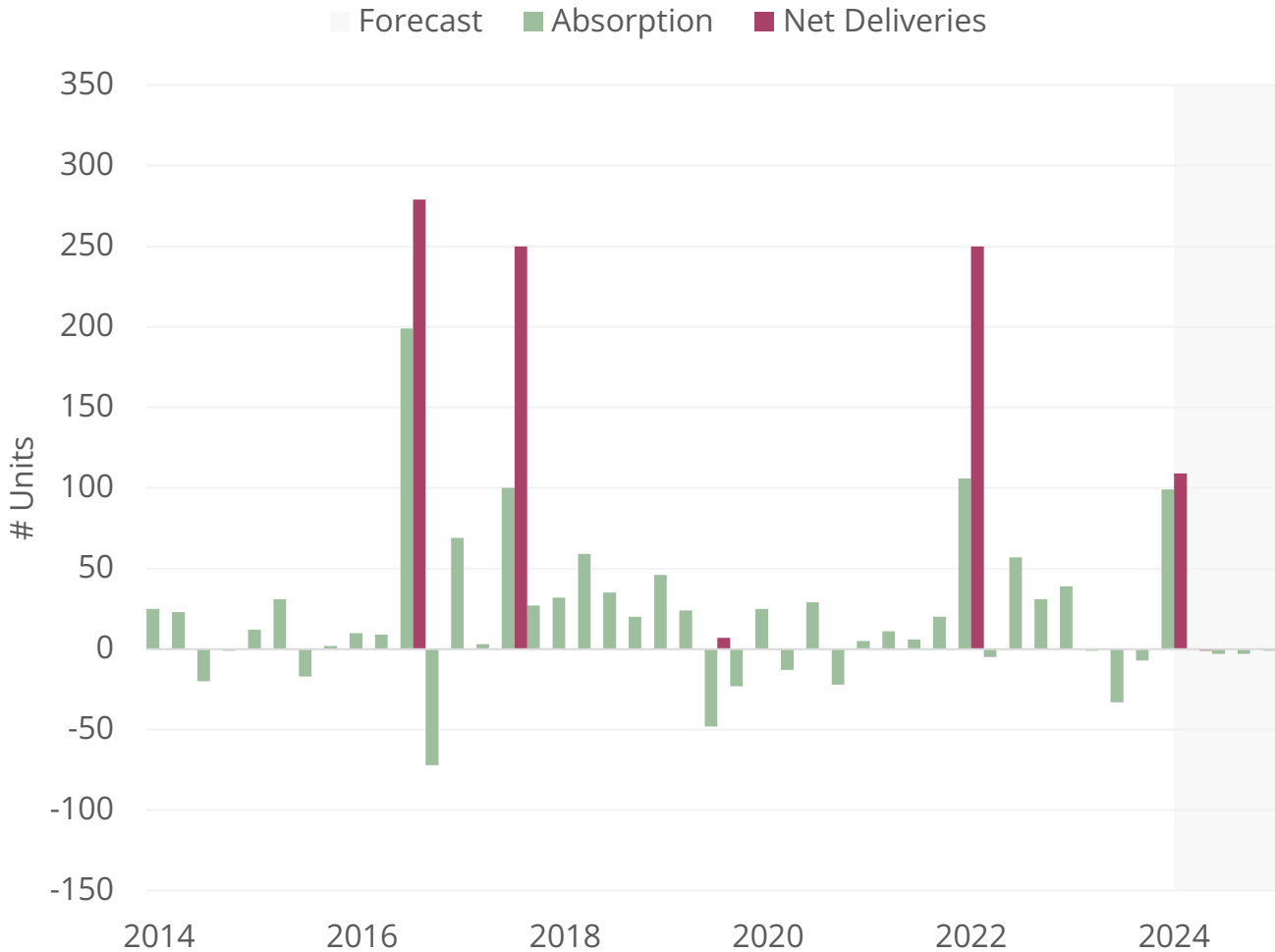


Within the Worcester Metro market, Northborough lies in the Route 9 Corridor submarket. Comparing Route 9 Corridor asking rents to the Worcester Metro, rents have tracked on average \$500 higher than the metro average.

Similar to home prices, rent growth in Northborough accelerated in 2021 and remain stable at record highs. Recent economic forecasts further support that future rent growth is expected to remain stable at higher asking rents throughout the market.

# MARKET ASSESSMENT

## Route 9 Corridor Submarket Net Deliveries & Absorption Trends



The vacancy rate in the Route 9 Corridor multifamily submarket is 4.4% which is slightly elevated due to the delivery of 110 units and positive absorption of those units.

Despite limited construction activity overall vacancy within the submarket remains below 5% and is forecasted to continue to remain low despite the addition of new units which will mean tight inventories and rents stabilized at higher rates due to demand for rental units.

# MARKET ASSESSMENT

Northborough falls within the Worcester, MA HUD Metro FMR Area. The following affordable rents are derived from 50% of AMI levels for 1-person to 5-person households. This economic feasibility analysis for Northborough tests the viability of an affordable requirement of 15% or 20% of units at 80% of AMI for projects of ten (10) or more units.

Maximum Affordable Rents by AMI (all utilities included in rent)

Unit Type	30%	40%	50%	60%	70%	80%	90%	100%	110%	120%	130%	140%	150%
Efficiency	\$617	\$830	\$1,044	\$1,257	\$1,471	\$1,684	\$1,898	\$2,111	\$2,325	\$2,538	\$2,752	\$2,965	\$3,179
1BR	\$653	\$882	\$1,111	\$1,340	\$1,568	\$1,797	\$2,026	\$2,255	\$2,483	\$2,712	\$2,941	\$3,170	\$3,398
2BR	\$737	\$996	\$1,255	\$1,515	\$1,774	\$2,033	\$2,292	\$2,552	\$2,811	\$3,070	\$3,329	\$3,589	\$3,848
3BR	\$818	\$1,108	\$1,398	\$1,688	\$1,977	\$2,267	\$2,557	\$2,847	\$3,136	\$3,426	\$3,716	\$4,006	\$4,295
4BR	\$889	\$1,206	\$1,523	\$1,841	\$2,158	\$2,475	\$2,792	\$3,110	\$3,427	\$3,744	\$4,061	\$4,379	\$4,696



An abstract graphic design on the left side of the page. It features a light gray background with a faint grid. Scattered across the grid are several circles in various colors: blue, orange, green, pink, and gray. Below the grid, there is a stylized city skyline composed of vertical bars of varying heights, some with horizontal stripes. A large, semi-transparent green circle is positioned in the foreground, partially overlapping the city skyline.

# **RESULTS SUMMARY**

## **ECONOMIC FEASIBILITY ANALYSIS**

# ECONOMIC FEASIBILITY ANALYSIS

The economic feasibility analysis conducted by RKG provides key insights regarding the relative impact on economic feasibility resulting from the change in inclusionary zoning requirements.

To that end, RKG modeled multiple prototypical development scenarios by calibrating the model with market-based assumptions and tested the findings against real world examples.

The financial model calculates the basic go/ no-go decision a developer must make about a potential project. The decision to pursue a project comes down to overall financial return and risk exposure.

The model tests Internal Rate of Return (IRR), Cash on Cash (COC), and Return on Cost (ROC) metrics. This analysis focuses on the IRR and ROC metrics, as IRR can vary based on the specifics of the deal (current market expectation sits at 15% preferred, 12.5% minimum), the ROC gives a clearer sense of the return on investment (current market expectation targets 6% - 7%).

The market scenario analysis provides an assessment of how a project would perform financially based on market averages for acquisition, construction, operation, and reversion.

The analysis presents the performance of projects when using the proposed set aside rates (15% or 20% for projects ten or more units) at the proposed Area Median Income (AMI) target of 80% of AMI.

RKG tested the development feasibility across several scenarios testing project size (number of units), construction typology (stick, stick over podium, steel frame), and across the two districts the town is considering for MBTA 3A compliance:

- Southwest Multi-family Development Sub-district
- Downtown Multi-family Development Sub-district

The following pages detail the results of multiple development scenarios for each district to demonstrate the sensitivity and overall level of economic feasibility.

# ECONOMIC FEASIBILITY ANALYSIS

## Results Overview

- Based on the results for Northborough across project scenarios, market rate asking rents are strong enough to support projects with a 15% set aside at 80% of AMI that are built using wood frame construction with surface parking, which meets the requirements for Northborough's districts.
- Based on the feasibility results, projects with a set aside of 20% are not economically feasible due to high construction costs and other market factors such as lending rates, asking rents and acquisition costs.
- Across all wood framed 15% set aside scenarios, the IRR results fall within the realm of market expectations and ROC hover within market expectations of 6% - 7%. Cash-on-Cash falls below market expectations but it is important to note that this measure can be subjective as it measures a snapshot of annual cash flow as opposed to return on cost which measures the cumulative return including the sale price at the end of the reversion period. Based on the IRR and ROC results, wood framed projects with a 15% set aside meeting the assumptions outlined in this report are economically feasible.
- It should be noted that while the 10-unit project has an ROC of 5.92% (which is slightly below the acceptable range), this may be a more viable return for small projects (contingent on the specifics of the deal).

# EFA MODEL DISTRICT INPUTS

The figure below provides the summary zoning inputs from the Draft MBTA Bylaw. Based on these inputs, development scenarios performed in the EFA will meet the following requirements: 3 - 5 stories (wood frame construction and stick over podium), and parking requirements consistent with [Section 7-09-030](#).

## Southwest Multi-family Development Sub-district

Use	Maximum Height (stories)	Maximum Height (feet)	Maximum Density (dwelling units per acre)
Attached single-family or townhouse	3	40	8
Multi-family dwelling	5	60	15
Clubhouse	-	35	N/A

## Downtown Multi-family Development Sub-district

Use	Maximum Height (stories)	Maximum Height (feet)	Maximum Density (units per acre)**
Attached single-family or townhouse	2.5	35	8
Multi-family dwelling	3	35	15
Vertical mixed-use development	4	45	15
Horizontal mixed-use development	4	45	15
Clubhouse	-	35	N/A

# EFA MODEL RESULTS – 15% SET ASIDE

RKG’s economic feasibility model uses locally-sourced and market level data to determine how zoning requirements impact the financial performance of a potential project. The model is designed to capture construction and operation costs and compare those to potential revenues to determine if the project assumptions will meet or exceed local return expectations, which is analogous with economic feasibility.

The scenarios modeled capture the parking spaces per dwelling unit and building height requirements for the two districts the town is considering for MBTA 3A compliance:

- Southwest Multi-family Development Sub-district
- Downtown Multi-family Development Sub-district

The range in unit sizes is intended to encompass the range of results from the compliance model’s final lot multi-family unit capacity as well as the minimum scenario that triggers the affordability requirement.

Based on RKG’s pro forma models for the district, IRR and ROC measures for both districts suggest that projects are financially feasible using a 15% set aside and the assumptions in the report provided projects remain wood frame. Large projects have the advantage of economies of scale but if building heights reach the maximum height (5 stories) in the Southwest Connector district, construction costs for stick over podium can result in projects below market expectation and potentially economically unfeasible dependent on site specifics.

It should be noted that while the 10-unit project has an ROC of 5.92% this may be acceptable for a project of this size (contingent on the specifics of the deal).

Stick over  
Podium  
Construction

## Southwest Multi-family Development Sub-district

Unit Counts	IRR	COC	ROC
10	11.61%	1.10%	5.92%
25	12.51%	1.72%	6.11%
50	12.54%	1.74%	6.11%
75	9.54%	-	5.53%
100	9.42%	-	5.51%
150	9.34%	-	5.50%

## Downtown Multi-family Development Sub-district

Unit Counts	IRR	COC	ROC
10	11.61%	1.10%	5.92%
25	12.51%	1.72%	6.11%
50	12.54%	1.74%	6.11%
75	12.89%	1.99%	6.19%
100	12.78%	1.92%	6.16%

- Below market expectation
- Not economically feasible

# EFA MODEL RESULTS – 20% SET ASIDE

RKG’s economic feasibility model uses locally-sourced and market level data to determine how zoning requirements impact the financial performance of a potential project. The model is designed to capture construction and operation costs and compare those to potential revenues to determine if the project assumptions will meet or exceed local return expectations, which is analogous with economic feasibility.

The scenarios modeled capture the parking spaces per dwelling unit and building height requirements for the two districts the town is considering for MBTA 3A compliance:

- Southwest Multi-family Development Sub-district
- Downtown Multi-family Development Sub-district

The range in unit sizes is intended to encompass the range of results from the compliance model’s final lot multi-family unit capacity as well as the minimum scenario that triggers the affordability requirement.

Based on RKG’s pro forma models for the district, IRR and ROC measures for both districts suggest that projects are not financially feasible using a 20% set aside and the assumptions in the report.

For small projects such as 10-units, the rounding up of fractional units for 15% (previous page) results in similar financial performance for projects with a 20% set aside all else being equal. As projects get larger, the 20% set aside results in projects that fall below market expectations on multiple measures or hover around return measures that would be highly sensitive to site specifics, macroeconomic trends and the return expectations of specific developers.

Stick over  
Podium  
Construction

## Southwest Multi-family Development Sub-district

Unit Counts	IRR	COC	ROC
10	11.61%	1.10%	5.92%
25	12.17%	1.47%	6.03%
50	12.19%	1.49%	6.03%
75	8.93%	-	5.42%
100	8.76%	-	5.39%
150	8.75%	-	2.38%

## Downtown Multi-family Development Sub-district

Unit Counts	IRR	COC	ROC
10	11.61%	1.10%	5.92%
25	12.17%	1.47%	6.03%
50	12.19%	1.49%	6.03%
75	12.30%	1.56%	6.06%
100	12.15%	1.45%	6.02%

- Below market expectation
- Not economically feasible



# **APPENDIX**

## **ECONOMIC FEASIBILITY ANALYSIS**

# SOUTHWEST CONNECTOR PROFORMA SCENARIOS

## 10-YEAR PROFORMA

### 10 units – stick construction – surface parking – 15% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$308,053	\$316,679	\$325,546	\$334,661	\$344,032	\$353,664	\$363,567	\$373,747	\$384,212	\$394,970
Vacancy & Credit Losses	\$0	(\$15,403)	(\$15,834)	(\$16,277)	(\$16,733)	(\$17,202)	(\$17,683)	(\$18,178)	(\$18,687)	(\$19,211)	(\$19,748)
Other Income	\$0	\$11,534	\$11,857	\$12,189	\$12,530	\$12,881	\$13,242	\$13,613	\$13,994	\$14,386	\$14,788
Effective Gross Income	\$0	\$304,185	\$312,702	\$321,458	\$330,458	\$339,711	\$349,223	\$359,001	\$369,053	\$379,387	\$390,010
Operating Expenses	\$0	(\$127,433)	(\$128,915)	(\$132,912)	(\$136,283)	(\$139,961)	(\$143,674)	(\$147,504)	(\$151,431)	(\$155,464)	(\$159,605)
Net Operating Income	\$0	\$176,752	\$183,787	\$188,546	\$194,175	\$199,750	\$205,550	\$211,498	\$217,623	\$223,923	\$230,405
Investment											
Developer Equity	(\$896,102)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$62,727)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)
Property Taxes*	(\$44,178)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,608,094
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$276,486)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,794,256)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,537,352
Before Tax Cash Flow	(\$1,003,007)	\$9,822	\$16,857	\$21,615	\$27,245	\$32,820	\$38,619	\$44,567	\$50,693	\$56,993	\$2,537,352

### 25 units – stick construction – surface parking – 15% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$767,589	\$789,081	\$811,176	\$833,889	\$857,237	\$881,240	\$905,915	\$931,280	\$957,356	\$984,162
Vacancy & Credit Losses	\$0	(\$38,379)	(\$39,454)	(\$40,559)	(\$41,694)	(\$42,862)	(\$44,062)	(\$45,296)	(\$46,564)	(\$47,868)	(\$49,208)
Other Income	\$0	\$29,175	\$29,992	\$30,831	\$31,695	\$32,582	\$33,494	\$34,432	\$35,396	\$36,387	\$37,406
Effective Gross Income	\$0	\$758,384	\$779,619	\$801,448	\$823,889	\$846,958	\$870,672	\$895,051	\$920,113	\$945,876	\$972,360
Operating Expenses	\$0	(\$315,580)	(\$319,853)	(\$329,592)	(\$338,009)	(\$347,118)	(\$356,332)	(\$365,833)	(\$375,576)	(\$385,583)	(\$395,857)
Net Operating Income	\$0	\$442,804	\$459,766	\$471,856	\$485,880	\$499,840	\$514,341	\$529,218	\$544,536	\$560,293	\$576,504
Investment											
Developer Equity	(\$2,175,856)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$152,310)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)
Property Taxes*	(\$107,270)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,530,074
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$691,804)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,356,693)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,481,576
Before Tax Cash Flow	(\$2,435,436)	\$37,475	\$54,437	\$66,527	\$80,551	\$94,511	\$109,012	\$123,889	\$139,208	\$154,964	\$6,481,576



# SOUTHWEST CONNECTOR PROFORMA SCENARIOS

## 10-YEAR PROFORMA

### 50 units – stick construction – surface parking – 15% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$1,540,684	\$1,583,823	\$1,628,170	\$1,673,759	\$1,720,625	\$1,768,802	\$1,818,325	\$1,869,242	\$1,921,580	\$1,975,385
Vacancy & Credit Losses	\$0	(\$77,034)	(\$79,191)	(\$81,409)	(\$83,688)	(\$86,031)	(\$88,440)	(\$90,916)	(\$93,462)	(\$96,079)	(\$98,769)
Other Income	\$0	\$57,671	\$59,286	\$60,946	\$62,652	\$64,406	\$66,210	\$68,064	\$69,969	\$71,928	\$73,942
Effective Gross Income	\$0	\$1,521,321	\$1,563,918	\$1,607,708	\$1,652,723	\$1,699,000	\$1,746,572	\$1,795,476	\$1,845,749	\$1,897,430	\$1,950,558
Operating Expenses	\$0	(\$633,212)	(\$641,741)	(\$661,294)	(\$678,176)	(\$696,454)	(\$714,940)	(\$734,003)	(\$753,552)	(\$773,629)	(\$794,241)
Net Operating Income	\$0	\$888,109	\$922,177	\$946,413	\$974,547	\$1,002,546	\$1,031,631	\$1,061,472	\$1,092,197	\$1,123,801	\$1,156,316
Investment											
Developer Equity	(\$4,359,715)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$305,180)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)
Property Taxes*	(\$214,934)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,126,329
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,387,580)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$8,729,408)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,009,341
<b>Before Tax Cash Flow</b>	<b>(\$4,879,828)</b>	<b>\$75,961</b>	<b>\$110,029</b>	<b>\$134,265</b>	<b>\$162,399</b>	<b>\$190,398</b>	<b>\$219,483</b>	<b>\$249,324</b>	<b>\$280,049</b>	<b>\$311,652</b>	<b>\$13,009,341</b>

### 75 units – stick over podium – surface parking – 15% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$2,314,959	\$2,379,778	\$2,446,412	\$2,514,911	\$2,585,329	\$2,657,718	\$2,732,134	\$2,808,634	\$2,887,276	\$2,968,119
Vacancy & Credit Losses	\$0	(\$115,748)	(\$118,989)	(\$122,321)	(\$125,746)	(\$129,266)	(\$132,886)	(\$136,607)	(\$140,432)	(\$144,364)	(\$148,406)
Other Income	\$0	\$86,845	\$89,277	\$91,777	\$94,347	\$96,988	\$99,704	\$102,496	\$105,366	\$108,316	\$111,349
Effective Gross Income	\$0	\$2,286,057	\$2,350,066	\$2,415,868	\$2,483,512	\$2,553,051	\$2,624,536	\$2,698,023	\$2,773,568	\$2,851,228	\$2,931,062
Operating Expenses	\$0	(\$948,046)	(\$961,801)	(\$990,817)	(\$1,016,202)	(\$1,043,569)	(\$1,071,282)	(\$1,099,849)	(\$1,129,147)	(\$1,159,237)	(\$1,190,128)
Net Operating Income	\$0	\$1,338,011	\$1,388,265	\$1,425,051	\$1,467,310	\$1,509,482	\$1,553,254	\$1,598,174	\$1,644,421	\$1,691,991	\$1,740,934
Investment											
Developer Equity	(\$7,253,245)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$507,727)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$1,351,169)	(\$1,351,169)	(\$1,351,169)	(\$1,351,169)	(\$1,351,169)	(\$1,351,169)	(\$1,351,169)	(\$1,351,169)	(\$1,351,169)	(\$1,351,169)
Property Taxes*	(\$357,585)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,818,678
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,089,121)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$14,523,092)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,206,465
<b>Before Tax Cash Flow</b>	<b>(\$8,118,557)</b>	<b>(\$13,157)</b>	<b>\$37,097</b>	<b>\$73,883</b>	<b>\$116,142</b>	<b>\$158,313</b>	<b>\$202,086</b>	<b>\$247,005</b>	<b>\$293,253</b>	<b>\$340,823</b>	<b>\$18,206,465</b>

# SOUTHWEST CONNECTOR PROFORMA SCENARIOS

## 10-YEAR PROFORMA

### 100 units – stick over podium – surface parking – 15% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$3,089,167	\$3,175,664	\$3,264,583	\$3,355,991	\$3,449,959	\$3,546,558	\$3,645,861	\$3,747,945	\$3,852,888	\$3,960,769
Vacancy & Credit Losses	\$0	(\$154,458)	(\$158,783)	(\$163,229)	(\$167,800)	(\$172,498)	(\$177,328)	(\$182,293)	(\$187,397)	(\$192,644)	(\$198,038)
Other Income	\$0	\$115,342	\$118,571	\$121,891	\$125,304	\$128,813	\$132,419	\$136,127	\$139,939	\$143,857	\$147,885
Effective Gross Income	\$0	\$3,050,051	\$3,135,452	\$3,223,245	\$3,313,496	\$3,406,273	\$3,501,649	\$3,599,695	\$3,700,487	\$3,804,100	\$3,910,615
Operating Expenses	\$0	(\$1,266,115)	(\$1,284,133)	(\$1,322,977)	(\$1,356,840)	(\$1,393,388)	(\$1,430,386)	(\$1,468,528)	(\$1,507,644)	(\$1,547,819)	(\$1,589,063)
Net Operating Income	\$0	\$1,783,935	\$1,851,319	\$1,900,268	\$1,956,656	\$2,012,886	\$2,071,263	\$2,131,167	\$2,192,843	\$2,256,282	\$2,321,552
Investment											
Developer Equity	(\$9,708,720)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$679,610)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$1,808,586)	(\$1,808,586)	(\$1,808,586)	(\$1,808,586)	(\$1,808,586)	(\$1,808,586)	(\$1,808,586)	(\$1,808,586)	(\$1,808,586)	(\$1,808,586)
Property Taxes*	(\$478,640)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,431,038
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,785,862)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$19,439,662)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,205,514
Before Tax Cash Flow	(\$10,866,970)	(\$24,651)	\$42,733	\$91,682	\$148,070	\$204,300	\$262,677	\$322,581	\$384,257	\$447,696	\$24,205,514

### 150 units – stick over podium – surface parking – 15% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$4,629,852	\$4,759,488	\$4,892,753	\$5,029,750	\$5,170,583	\$5,315,360	\$5,464,190	\$5,617,187	\$5,774,468	\$5,936,153
Vacancy & Credit Losses	\$0	(\$231,493)	(\$237,974)	(\$244,638)	(\$251,488)	(\$258,529)	(\$265,768)	(\$273,209)	(\$280,859)	(\$288,723)	(\$296,808)
Other Income	\$0	\$173,012	\$177,857	\$182,837	\$187,956	\$193,219	\$198,629	\$204,191	\$209,908	\$215,785	\$221,827
Effective Gross Income	\$0	\$4,571,372	\$4,699,370	\$4,830,952	\$4,966,219	\$5,105,273	\$5,248,221	\$5,395,171	\$5,546,236	\$5,701,530	\$5,861,173
Operating Expenses	\$0	(\$1,899,327)	(\$1,925,874)	(\$1,984,271)	(\$2,035,016)	(\$2,089,841)	(\$2,145,326)	(\$2,202,532)	(\$2,261,196)	(\$2,321,448)	(\$2,383,305)
Net Operating Income	\$0	\$2,672,044	\$2,773,496	\$2,846,682	\$2,931,203	\$3,015,432	\$3,102,895	\$3,192,639	\$3,285,040	\$3,380,082	\$3,477,868
Investment											
Developer Equity	(\$14,583,497)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$1,020,845)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$2,716,682)	(\$2,716,682)	(\$2,716,682)	(\$2,716,682)	(\$2,716,682)	(\$2,716,682)	(\$2,716,682)	(\$2,716,682)	(\$2,716,682)	(\$2,716,682)
Property Taxes*	(\$718,966)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$69,557,367
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,173,442)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$29,200,375)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,183,550
Before Tax Cash Flow	(\$16,323,308)	(\$44,638)	\$56,813	\$129,999	\$214,521	\$298,749	\$386,212	\$475,957	\$568,358	\$663,400	\$36,183,550

# DOWNTOWN PROFORMA SCENARIOS

## 10-YEAR PROFORMA

### 10 units – stick construction – surface parking – 15% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$308,053	\$316,679	\$325,546	\$334,661	\$344,032	\$353,664	\$363,567	\$373,747	\$384,212	\$394,970
Vacancy & Credit Losses	\$0	(\$15,403)	(\$15,834)	(\$16,277)	(\$16,733)	(\$17,202)	(\$17,683)	(\$18,178)	(\$18,687)	(\$19,211)	(\$19,748)
Other Income	\$0	\$11,534	\$11,857	\$12,189	\$12,530	\$12,881	\$13,242	\$13,613	\$13,994	\$14,386	\$14,788
Effective Gross Income	\$0	\$304,185	\$312,702	\$321,458	\$330,458	\$339,711	\$349,223	\$359,001	\$369,053	\$379,387	\$390,010
Operating Expenses	\$0	(\$127,433)	(\$128,915)	(\$132,912)	(\$136,283)	(\$139,961)	(\$143,674)	(\$147,504)	(\$151,431)	(\$155,464)	(\$159,605)
Net Operating Income	\$0	\$176,752	\$183,787	\$188,546	\$194,175	\$199,750	\$205,550	\$211,498	\$217,623	\$223,923	\$230,405
Investment											
Developer Equity	(\$896,102)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$62,727)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)
Property Taxes*	(\$44,178)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,608,094
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$276,486)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,794,256)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,537,352
Before Tax Cash Flow	(\$1,003,007)	\$9,822	\$16,857	\$21,615	\$27,245	\$32,820	\$38,619	\$44,567	\$50,693	\$56,993	\$2,537,352

### 25 units – stick construction – surface parking – 15% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$767,589	\$789,081	\$811,176	\$833,889	\$857,237	\$881,240	\$905,915	\$931,280	\$957,356	\$984,162
Vacancy & Credit Losses	\$0	(\$38,379)	(\$39,454)	(\$40,559)	(\$41,694)	(\$42,862)	(\$44,062)	(\$45,296)	(\$46,564)	(\$47,868)	(\$49,208)
Other Income	\$0	\$29,175	\$29,992	\$30,831	\$31,695	\$32,582	\$33,494	\$34,432	\$35,396	\$36,387	\$37,406
Effective Gross Income	\$0	\$758,384	\$779,619	\$801,448	\$823,889	\$846,958	\$870,672	\$895,051	\$920,113	\$945,876	\$972,360
Operating Expenses	\$0	(\$315,580)	(\$319,853)	(\$329,592)	(\$338,009)	(\$347,118)	(\$356,332)	(\$365,833)	(\$375,576)	(\$385,583)	(\$395,857)
Net Operating Income	\$0	\$442,804	\$459,766	\$471,856	\$485,880	\$499,840	\$514,341	\$529,218	\$544,536	\$560,293	\$576,504
Investment											
Developer Equity	(\$2,175,856)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$152,310)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)
Property Taxes*	(\$107,270)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,530,074
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$691,804)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,356,693)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,481,576
Before Tax Cash Flow	(\$2,435,436)	\$37,475	\$54,437	\$66,527	\$80,551	\$94,511	\$109,012	\$123,889	\$139,208	\$154,964	\$6,481,576

# DOWNTOWN PROFORMA SCENARIOS

## 10-YEAR PROFORMA

### 50 units – stick construction – surface parking – 15% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$1,540,684	\$1,583,823	\$1,628,170	\$1,673,759	\$1,720,625	\$1,768,802	\$1,818,325	\$1,869,242	\$1,921,580	\$1,975,385
Vacancy & Credit Losses	\$0	(\$77,034)	(\$79,191)	(\$81,409)	(\$83,688)	(\$86,031)	(\$88,440)	(\$90,916)	(\$93,462)	(\$96,079)	(\$98,769)
Other Income	\$0	\$57,671	\$59,286	\$60,946	\$62,652	\$64,406	\$66,210	\$68,064	\$69,969	\$71,928	\$73,942
Effective Gross Income	\$0	\$1,521,321	\$1,563,918	\$1,607,708	\$1,652,723	\$1,699,000	\$1,746,572	\$1,795,476	\$1,845,749	\$1,897,430	\$1,950,558
Operating Expenses	\$0	(\$633,212)	(\$641,741)	(\$661,294)	(\$678,176)	(\$696,454)	(\$714,940)	(\$734,003)	(\$753,552)	(\$773,629)	(\$794,241)
Net Operating Income	\$0	\$888,109	\$922,177	\$946,413	\$974,547	\$1,002,546	\$1,031,631	\$1,061,472	\$1,092,197	\$1,123,801	\$1,156,316
Investment											
Developer Equity	(\$4,359,715)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$305,180)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)
Property Taxes*	(\$214,934)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,126,329
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,387,580)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$8,729,408)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,009,341
Before Tax Cash Flow	(\$4,879,828)	\$75,961	\$110,029	\$134,265	\$162,399	\$190,398	\$219,483	\$249,324	\$280,049	\$311,652	\$13,009,341

### 75 units – stick construction – surface parking – 15% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$2,314,959	\$2,379,778	\$2,446,412	\$2,514,911	\$2,585,329	\$2,657,718	\$2,732,134	\$2,808,634	\$2,887,276	\$2,968,119
Vacancy & Credit Losses	\$0	(\$115,748)	(\$118,989)	(\$122,321)	(\$125,746)	(\$129,266)	(\$132,886)	(\$136,607)	(\$140,432)	(\$144,364)	(\$148,406)
Other Income	\$0	\$86,845	\$89,277	\$91,777	\$94,347	\$96,988	\$99,704	\$102,496	\$105,366	\$108,316	\$111,349
Effective Gross Income	\$0	\$2,286,057	\$2,350,066	\$2,415,868	\$2,483,512	\$2,553,051	\$2,624,536	\$2,698,023	\$2,773,568	\$2,851,228	\$2,931,062
Operating Expenses	\$0	(\$948,046)	(\$961,801)	(\$990,817)	(\$1,016,202)	(\$1,043,569)	(\$1,071,282)	(\$1,099,849)	(\$1,129,147)	(\$1,159,237)	(\$1,190,128)
Net Operating Income	\$0	\$1,338,011	\$1,388,265	\$1,425,051	\$1,467,310	\$1,509,482	\$1,553,254	\$1,598,174	\$1,644,421	\$1,691,991	\$1,740,934
Investment											
Developer Equity	(\$6,488,129)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$454,169)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$1,208,639)	(\$1,208,639)	(\$1,208,639)	(\$1,208,639)	(\$1,208,639)	(\$1,208,639)	(\$1,208,639)	(\$1,208,639)	(\$1,208,639)	(\$1,208,639)
Property Taxes*	(\$319,865)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,818,678
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,089,121)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$12,991,109)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,738,448
Before Tax Cash Flow	(\$7,262,163)	\$129,372	\$179,626	\$216,412	\$258,671	\$300,842	\$344,615	\$389,535	\$435,782	\$483,352	\$19,738,448

# DOWNTOWN PROFORMA SCENARIOS

## 10-YEAR PROFORMA

100 units – stick construction – surface parking – 15% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$3,089,167	\$3,175,664	\$3,264,583	\$3,355,991	\$3,449,959	\$3,546,558	\$3,645,861	\$3,747,945	\$3,852,888	\$3,960,769
Vacancy & Credit Losses	\$0	(\$154,458)	(\$158,783)	(\$163,229)	(\$167,800)	(\$172,498)	(\$177,328)	(\$182,293)	(\$187,397)	(\$192,644)	(\$198,038)
Other Income	\$0	\$115,342	\$118,571	\$121,891	\$125,304	\$128,813	\$132,419	\$136,127	\$139,939	\$143,857	\$147,885
Effective Gross Income	\$0	\$3,050,051	\$3,135,452	\$3,223,245	\$3,313,496	\$3,406,273	\$3,501,649	\$3,599,695	\$3,700,487	\$3,804,100	\$3,910,615
Operating Expenses	\$0	(\$1,266,115)	(\$1,284,133)	(\$1,322,977)	(\$1,356,840)	(\$1,393,388)	(\$1,430,386)	(\$1,468,528)	(\$1,507,644)	(\$1,547,819)	(\$1,589,063)
Net Operating Income	\$0	\$1,783,935	\$1,851,319	\$1,900,268	\$1,956,656	\$2,012,886	\$2,071,263	\$2,131,167	\$2,192,843	\$2,256,282	\$2,321,552
Investment											
Developer Equity	(\$8,683,698)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$607,859)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$1,617,640)	(\$1,617,640)	(\$1,617,640)	(\$1,617,640)	(\$1,617,640)	(\$1,617,640)	(\$1,617,640)	(\$1,617,640)	(\$1,617,640)	(\$1,617,640)
Property Taxes*	(\$428,106)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,431,038
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,785,862)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$17,387,273)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,257,903
Before Tax Cash Flow	(\$9,719,664)	\$166,295	\$233,679	\$282,628	\$339,016	\$395,246	\$453,623	\$513,527	\$575,203	\$638,642	\$26,257,903

# SOUTHWEST CONNECTOR PROFORMA SCENARIOS

## 10-YEAR PROFORMA

### 10 units – stick construction – surface parking – 20% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$308,053	\$316,679	\$325,546	\$334,661	\$344,032	\$353,664	\$363,567	\$373,747	\$384,212	\$394,970
Vacancy & Credit Losses	\$0	(\$15,403)	(\$15,834)	(\$16,277)	(\$16,733)	(\$17,202)	(\$17,683)	(\$18,178)	(\$18,687)	(\$19,211)	(\$19,748)
Other Income	\$0	\$11,534	\$11,857	\$12,189	\$12,530	\$12,881	\$13,242	\$13,613	\$13,994	\$14,386	\$14,788
Effective Gross Income	\$0	\$304,185	\$312,702	\$321,458	\$330,458	\$339,711	\$349,223	\$359,001	\$369,053	\$379,387	\$390,010
Operating Expenses	\$0	(\$127,433)	(\$128,915)	(\$132,912)	(\$136,283)	(\$139,961)	(\$143,674)	(\$147,504)	(\$151,431)	(\$155,464)	(\$159,605)
Net Operating Income	\$0	\$176,752	\$183,787	\$188,546	\$194,175	\$199,750	\$205,550	\$211,498	\$217,623	\$223,923	\$230,405
Investment											
Developer Equity	(\$896,102)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$62,727)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)
Property Taxes*	(\$44,178)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,608,094
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$276,486)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,794,256)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,537,352
Before Tax Cash Flow	(\$1,003,007)	\$9,822	\$16,857	\$21,615	\$27,245	\$32,820	\$38,619	\$44,567	\$50,693	\$56,993	\$2,537,352

### 25 units – stick construction – surface parking – 20% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$760,625	\$781,923	\$803,817	\$826,324	\$849,461	\$873,246	\$897,697	\$922,832	\$948,671	\$975,234
Vacancy & Credit Losses	\$0	(\$38,031)	(\$39,096)	(\$40,191)	(\$41,316)	(\$42,473)	(\$43,662)	(\$44,885)	(\$46,142)	(\$47,434)	(\$48,762)
Other Income	\$0	\$29,175	\$29,992	\$30,831	\$31,695	\$32,582	\$33,494	\$34,432	\$35,396	\$36,387	\$37,406
Effective Gross Income	\$0	\$751,769	\$772,818	\$794,457	\$816,702	\$839,570	\$863,078	\$887,244	\$912,087	\$937,625	\$963,879
Operating Expenses	\$0	(\$314,435)	(\$318,235)	(\$328,059)	(\$336,394)	(\$345,470)	(\$354,634)	(\$364,089)	(\$373,783)	(\$383,740)	(\$393,961)
Net Operating Income	\$0	\$437,334	\$454,583	\$466,398	\$480,308	\$494,100	\$508,444	\$523,155	\$538,304	\$553,885	\$569,917
Investment											
Developer Equity	(\$2,175,856)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$152,310)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)
Property Taxes*	(\$107,270)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,398,344
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$683,901)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,356,693)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,357,750
Before Tax Cash Flow	(\$2,435,436)	\$32,005	\$49,254	\$61,069	\$74,979	\$88,771	\$103,115	\$117,826	\$132,975	\$148,557	\$6,357,750

# SOUTHWEST CONNECTOR PROFORMA SCENARIOS

## 10-YEAR PROFORMA

### 50 units – stick construction – surface parking – 20% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$1,526,476	\$1,569,218	\$1,613,156	\$1,658,324	\$1,704,757	\$1,752,490	\$1,801,560	\$1,852,004	\$1,903,860	\$1,957,168
Vacancy & Credit Losses	\$0	(\$76,324)	(\$78,461)	(\$80,658)	(\$82,916)	(\$85,238)	(\$87,625)	(\$90,078)	(\$92,600)	(\$95,193)	(\$97,858)
Other Income	\$0	\$57,671	\$59,286	\$60,946	\$62,652	\$64,406	\$66,210	\$68,064	\$69,969	\$71,928	\$73,942
Effective Gross Income	\$0	\$1,507,823	\$1,550,042	\$1,593,444	\$1,638,060	\$1,683,926	\$1,731,076	\$1,779,546	\$1,829,373	\$1,880,595	\$1,933,252
Operating Expenses	\$0	(\$630,875)	(\$638,440)	(\$658,166)	(\$674,882)	(\$693,091)	(\$711,476)	(\$730,444)	(\$749,892)	(\$769,868)	(\$790,375)
Net Operating Income	\$0	\$876,948	\$911,603	\$935,277	\$963,178	\$990,835	\$1,019,599	\$1,049,101	\$1,079,481	\$1,110,728	\$1,142,878
Investment											
Developer Equity	(\$4,359,715)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$305,180)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)
Property Taxes*	(\$214,934)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,857,551
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,371,453)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$8,729,408)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,756,690
Before Tax Cash Flow	(\$4,879,828)	\$64,800	\$99,455	\$123,129	\$151,030	\$178,687	\$207,451	\$236,953	\$267,333	\$298,580	\$12,756,690

### 75 units – stick over podium – surface parking – 20% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$2,279,050	\$2,342,863	\$2,408,463	\$2,475,900	\$2,545,226	\$2,616,492	\$2,689,754	\$2,765,067	\$2,842,489	\$2,922,078
Vacancy & Credit Losses	\$0	(\$113,952)	(\$117,143)	(\$120,423)	(\$123,795)	(\$127,261)	(\$130,825)	(\$134,488)	(\$138,253)	(\$142,124)	(\$146,104)
Other Income	\$0	\$86,845	\$89,277	\$91,777	\$94,347	\$96,988	\$99,704	\$102,496	\$105,366	\$108,316	\$111,349
Effective Gross Income	\$0	\$2,251,943	\$2,314,997	\$2,379,817	\$2,446,452	\$2,514,953	\$2,585,371	\$2,657,762	\$2,732,179	\$2,808,680	\$2,887,323
Operating Expenses	\$0	(\$942,139)	(\$953,457)	(\$982,911)	(\$1,007,877)	(\$1,035,069)	(\$1,062,527)	(\$1,090,854)	(\$1,119,898)	(\$1,149,730)	(\$1,180,355)
Net Operating Income	\$0	\$1,309,804	\$1,361,540	\$1,396,906	\$1,438,575	\$1,479,883	\$1,522,844	\$1,566,907	\$1,612,281	\$1,658,950	\$1,706,968
Investment											
Developer Equity	(\$7,253,245)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$507,727)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$1,351,169)	(\$1,351,169)	(\$1,351,169)	(\$1,351,169)	(\$1,351,169)	(\$1,351,169)	(\$1,351,169)	(\$1,351,169)	(\$1,351,169)	(\$1,351,169)
Property Taxes*	(\$357,585)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,139,364
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,048,362)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$14,523,092)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,567,910
Before Tax Cash Flow	(\$8,118,557)	(\$41,365)	\$10,371	\$45,737	\$87,407	\$128,715	\$171,676	\$215,739	\$261,113	\$307,782	\$17,567,910

# SOUTHWEST CONNECTOR PROFORMA SCENARIOS

## 10-YEAR PROFORMA

### 100 units – stick over podium – surface parking – 20% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$3,049,206	\$3,134,584	\$3,222,352	\$3,312,578	\$3,405,330	\$3,500,679	\$3,598,698	\$3,699,462	\$3,803,047	\$3,909,532
Vacancy & Credit Losses	\$0	(\$152,460)	(\$156,729)	(\$161,118)	(\$165,629)	(\$170,267)	(\$175,034)	(\$179,935)	(\$184,973)	(\$190,152)	(\$195,477)
Other Income	\$0	\$115,342	\$118,571	\$121,891	\$125,304	\$128,813	\$132,419	\$136,127	\$139,939	\$143,857	\$147,885
Effective Gross Income	\$0	\$3,012,087	\$3,096,426	\$3,183,126	\$3,272,253	\$3,363,876	\$3,458,065	\$3,554,891	\$3,654,427	\$3,756,751	\$3,861,940
Operating Expenses	\$0	(\$1,261,133)	(\$1,276,009)	(\$1,315,508)	(\$1,348,895)	(\$1,385,295)	(\$1,422,039)	(\$1,459,950)	(\$1,498,820)	(\$1,538,743)	(\$1,579,729)
Net Operating Income	\$0	\$1,750,954	\$1,820,417	\$1,867,618	\$1,923,358	\$1,978,582	\$2,036,026	\$2,094,940	\$2,155,608	\$2,218,008	\$2,282,211
Investment											
Developer Equity	(\$9,749,555)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$682,469)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$1,816,193)	(\$1,816,193)	(\$1,816,193)	(\$1,816,193)	(\$1,816,193)	(\$1,816,193)	(\$1,816,193)	(\$1,816,193)	(\$1,816,193)	(\$1,816,193)
Property Taxes*	(\$480,653)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45,644,223
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,738,653)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$19,521,425)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,384,144
Before Tax Cash Flow	(\$10,912,676)	(\$65,239)	\$4,224	\$51,425	\$107,165	\$162,389	\$219,833	\$278,747	\$339,415	\$401,815	\$23,384,144

### 150 units – stick over podium – surface parking – 20% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$4,571,949	\$4,699,964	\$4,831,563	\$4,966,847	\$5,105,919	\$5,248,884	\$5,395,853	\$5,546,937	\$5,702,251	\$5,861,914
Vacancy & Credit Losses	\$0	(\$228,597)	(\$234,998)	(\$241,578)	(\$248,342)	(\$255,296)	(\$262,444)	(\$269,793)	(\$277,347)	(\$285,113)	(\$293,096)
Other Income	\$0	\$173,012	\$177,857	\$182,837	\$187,956	\$193,219	\$198,629	\$204,191	\$209,908	\$215,785	\$221,827
Effective Gross Income	\$0	\$4,516,364	\$4,642,823	\$4,772,822	\$4,906,461	\$5,043,842	\$5,185,069	\$5,330,251	\$5,479,498	\$5,632,924	\$5,790,646
Operating Expenses	\$0	(\$1,891,394)	(\$1,913,581)	(\$1,972,852)	(\$2,022,912)	(\$2,077,502)	(\$2,132,605)	(\$2,189,460)	(\$2,247,751)	(\$2,307,623)	(\$2,369,088)
Net Operating Income	\$0	\$2,624,970	\$2,729,242	\$2,799,969	\$2,883,549	\$2,966,340	\$3,052,464	\$3,140,791	\$3,231,748	\$3,325,301	\$3,421,558
Investment											
Developer Equity	(\$14,624,332)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$1,023,703)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$2,724,289)	(\$2,724,289)	(\$2,724,289)	(\$2,724,289)	(\$2,724,289)	(\$2,724,289)	(\$2,724,289)	(\$2,724,289)	(\$2,724,289)	(\$2,724,289)
Property Taxes*	(\$720,980)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$68,431,160
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,105,870)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$29,282,138)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,043,152
Before Tax Cash Flow	(\$16,369,015)	(\$99,319)	\$4,952	\$75,680	\$159,259	\$242,050	\$328,175	\$416,502	\$507,458	\$601,012	\$35,043,152



# DOWNTOWN PROFORMA SCENARIOS

## 10-YEAR PROFORMA

### 10 units – stick construction – surface parking – 20% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$308,053	\$316,679	\$325,546	\$334,661	\$344,032	\$353,664	\$363,567	\$373,747	\$384,212	\$394,970
Vacancy & Credit Losses	\$0	(\$15,403)	(\$15,834)	(\$16,277)	(\$16,733)	(\$17,202)	(\$17,683)	(\$18,178)	(\$18,687)	(\$19,211)	(\$19,748)
Other Income	\$0	\$11,534	\$11,857	\$12,189	\$12,530	\$12,881	\$13,242	\$13,613	\$13,994	\$14,386	\$14,788
Effective Gross Income	\$0	\$304,185	\$312,702	\$321,458	\$330,458	\$339,711	\$349,223	\$359,001	\$369,053	\$379,387	\$390,010
Operating Expenses	\$0	(\$127,433)	(\$128,915)	(\$132,912)	(\$136,283)	(\$139,961)	(\$143,674)	(\$147,504)	(\$151,431)	(\$155,464)	(\$159,605)
Net Operating Income	\$0	\$176,752	\$183,787	\$188,546	\$194,175	\$199,750	\$205,550	\$211,498	\$217,623	\$223,923	\$230,405
Investment											
Developer Equity	(\$896,102)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$62,727)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)	(\$166,930)
Property Taxes*	(\$44,178)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,608,094
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$276,486)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,794,256)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,537,352
Before Tax Cash Flow	(\$1,003,007)	\$9,822	\$16,857	\$21,615	\$27,245	\$32,820	\$38,619	\$44,567	\$50,693	\$56,993	\$2,537,352

### 25 units – stick construction – surface parking – 20% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$760,625	\$781,923	\$803,817	\$826,324	\$849,461	\$873,246	\$897,697	\$922,832	\$948,671	\$975,234
Vacancy & Credit Losses	\$0	(\$38,031)	(\$39,096)	(\$40,191)	(\$41,316)	(\$42,473)	(\$43,662)	(\$44,885)	(\$46,142)	(\$47,434)	(\$48,762)
Other Income	\$0	\$29,175	\$29,992	\$30,831	\$31,695	\$32,582	\$33,494	\$34,432	\$35,396	\$36,387	\$37,406
Effective Gross Income	\$0	\$751,769	\$772,818	\$794,457	\$816,702	\$839,570	\$863,078	\$887,244	\$912,087	\$937,625	\$963,879
Operating Expenses	\$0	(\$314,435)	(\$318,235)	(\$328,059)	(\$336,394)	(\$345,470)	(\$354,634)	(\$364,089)	(\$373,783)	(\$383,740)	(\$393,961)
Net Operating Income	\$0	\$437,334	\$454,583	\$466,398	\$480,308	\$494,100	\$508,444	\$523,155	\$538,304	\$553,885	\$569,917
Investment											
Developer Equity	(\$2,175,856)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$152,310)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)	(\$405,329)
Property Taxes*	(\$107,270)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,398,344
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$683,901)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,356,693)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,357,750
Before Tax Cash Flow	(\$2,435,436)	\$32,005	\$49,254	\$61,069	\$74,979	\$88,771	\$103,115	\$117,826	\$132,975	\$148,557	\$6,357,750

# DOWNTOWN PROFORMA SCENARIOS

## 10-YEAR PROFORMA

### 50 units – stick construction – surface parking – 20% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$1,526,476	\$1,569,218	\$1,613,156	\$1,658,324	\$1,704,757	\$1,752,490	\$1,801,560	\$1,852,004	\$1,903,860	\$1,957,168
Vacancy & Credit Losses	\$0	(\$76,324)	(\$78,461)	(\$80,658)	(\$82,916)	(\$85,238)	(\$87,625)	(\$90,078)	(\$92,600)	(\$95,193)	(\$97,858)
Other Income	\$0	\$57,671	\$59,286	\$60,946	\$62,652	\$64,406	\$66,210	\$68,064	\$69,969	\$71,928	\$73,942
Effective Gross Income	\$0	\$1,507,823	\$1,550,042	\$1,593,444	\$1,638,060	\$1,683,926	\$1,731,076	\$1,779,546	\$1,829,373	\$1,880,595	\$1,933,252
Operating Expenses	\$0	(\$630,875)	(\$638,440)	(\$658,166)	(\$674,882)	(\$693,091)	(\$711,476)	(\$730,444)	(\$749,892)	(\$769,868)	(\$790,375)
Net Operating Income	\$0	\$876,948	\$911,603	\$935,277	\$963,178	\$990,835	\$1,019,599	\$1,049,101	\$1,079,481	\$1,110,728	\$1,142,878
Investment											
Developer Equity	(\$4,359,715)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$305,180)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)	(\$812,148)
Property Taxes*	(\$214,934)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,857,551
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,371,453)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$8,729,408)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,756,690
Before Tax Cash Flow	(\$4,879,828)	\$64,800	\$99,455	\$123,129	\$151,030	\$178,687	\$207,451	\$236,953	\$267,333	\$298,580	\$12,756,690

### 75 units – stick construction– surface parking – 20% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$2,279,050	\$2,342,863	\$2,408,463	\$2,475,900	\$2,545,226	\$2,616,492	\$2,689,754	\$2,765,067	\$2,842,489	\$2,922,078
Vacancy & Credit Losses	\$0	(\$113,952)	(\$117,143)	(\$120,423)	(\$123,795)	(\$127,261)	(\$130,825)	(\$134,488)	(\$138,253)	(\$142,124)	(\$146,104)
Other Income	\$0	\$86,845	\$89,277	\$91,777	\$94,347	\$96,988	\$99,704	\$102,496	\$105,366	\$108,316	\$111,349
Effective Gross Income	\$0	\$2,251,943	\$2,314,997	\$2,379,817	\$2,446,452	\$2,514,953	\$2,585,371	\$2,657,762	\$2,732,179	\$2,808,680	\$2,887,323
Operating Expenses	\$0	(\$942,139)	(\$953,457)	(\$982,911)	(\$1,007,877)	(\$1,035,069)	(\$1,062,527)	(\$1,090,854)	(\$1,119,898)	(\$1,149,730)	(\$1,180,355)
Net Operating Income	\$0	\$1,309,804	\$1,361,540	\$1,396,906	\$1,438,575	\$1,479,883	\$1,522,844	\$1,566,907	\$1,612,281	\$1,658,950	\$1,706,968
Investment											
Developer Equity	(\$6,488,129)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$454,169)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$1,208,639)	(\$1,208,639)	(\$1,208,639)	(\$1,208,639)	(\$1,208,639)	(\$1,208,639)	(\$1,208,639)	(\$1,208,639)	(\$1,208,639)	(\$1,208,639)
Property Taxes*	(\$319,865)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,139,364
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,048,362)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$12,991,109)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,099,893
Before Tax Cash Flow	(\$7,262,163)	\$101,165	\$152,900	\$188,267	\$229,936	\$271,244	\$314,205	\$358,268	\$403,642	\$450,311	\$19,099,893

# DOWNTOWN PROFORMA SCENARIOS

## 10-YEAR PROFORMA

100 units – stick construction – surface parking – 20% set aside

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Potential Gross Income	\$0	\$3,049,206	\$3,134,584	\$3,222,352	\$3,312,578	\$3,405,330	\$3,500,679	\$3,598,698	\$3,699,462	\$3,803,047	\$3,909,532
Vacancy & Credit Losses	\$0	(\$152,460)	(\$156,729)	(\$161,118)	(\$165,629)	(\$170,267)	(\$175,034)	(\$179,935)	(\$184,973)	(\$190,152)	(\$195,477)
Other Income	\$0	\$115,342	\$118,571	\$121,891	\$125,304	\$128,813	\$132,419	\$136,127	\$139,939	\$143,857	\$147,885
Effective Gross Income	\$0	\$3,012,087	\$3,096,426	\$3,183,126	\$3,272,253	\$3,363,876	\$3,458,065	\$3,554,891	\$3,654,427	\$3,756,751	\$3,861,940
Operating Expenses	\$0	(\$1,261,133)	(\$1,276,009)	(\$1,315,508)	(\$1,348,895)	(\$1,385,295)	(\$1,422,039)	(\$1,459,950)	(\$1,498,820)	(\$1,538,743)	(\$1,579,729)
Net Operating Income	\$0	\$1,750,954	\$1,820,417	\$1,867,618	\$1,923,358	\$1,978,582	\$2,036,026	\$2,094,940	\$2,155,608	\$2,218,008	\$2,282,211
Investment											
Developer Equity	(\$8,719,429)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Partial Unit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financing Fee	(\$610,360)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Investor Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service	\$0	(\$1,624,296)	(\$1,624,296)	(\$1,624,296)	(\$1,624,296)	(\$1,624,296)	(\$1,624,296)	(\$1,624,296)	(\$1,624,296)	(\$1,624,296)	(\$1,624,296)
Property Taxes*	(\$429,868)										
Sale Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45,644,223
Cost of Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,738,653)
Remaining Loan Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$17,458,816)
Net Sale Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,446,753
Before Tax Cash Flow	(\$9,759,657)	\$126,658	\$196,121	\$243,322	\$299,061	\$354,285	\$411,729	\$470,644	\$531,312	\$593,712	\$25,446,753



Northborough  
Economic Feasibility Analysis  
February 2024

