

**Traverse City Downtown
Development Authority Finance
Committee
August 8, 2022
9:30AM**



Committee Room, Governmental Center
400 Boardman Avenue
Traverse City, Michigan 49684

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The City of Traverse City and Downtown Development Authority are committed to a dialog that is constructive, respectful and civil. We ask that all individuals interacting verbally or in writing with board members honor these values.

Downtown Development Authority:
c/o Jean Derenzy, CEO
(231) 922-2050
Web: www.downtowntc.com
303 East State Street, Suite C
Traverse City, MI 49684

**Welcome to the Traverse City Downtown Development Authority
Finance Committee meeting!**

Agenda

	Page
1. CALL TO ORDER	
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2. ROLL CALL	
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3. APPROVAL OF MEETING MINUTES	
A. Consideration of Approving May 9, 2022 DDA Finance Committee Meeting Minutes (approval recommended)	3 - 6
<u>DDA Finance Committee, May 9, 2022 - DRAFT Meeting Minutes (PDF)</u>	
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4. 2021/2022 YEAR END PROJECTIONS	
A. 2021/2022 Year End Projections	7 - 13
<u>Year End Budget Memo (Derenzy) - PDF</u>	
<u>DDA General Projected Budget 6-30-22 (PDF)</u>	
<u>TIF 97 Projected Budget 6-30-22 (PDF)</u>	
<u>OT TIF Projected Budget 6-30-22 (PDF)</u>	
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5. REFERRAL FROM JULY DDA BOARD MEETING - NEZ	
A. Referral from July DDA Board Meeting - NEZ	15 - 20
<u>Memo On NEZ and DDA Board (Derenzy) - PDF</u>	
<u>Development and Operating Proforma</u>	
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6. OTHER BUSINESS	
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7. PUBLIC COMMENT	
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8. ADJOURNMENT	



**Minutes of the
Downtown Development Authority for the City of Traverse City
Finance Committee
Monday, May 9, 2022**

A regular meeting of the Downtown Development Authority Finance Committee of the City of Traverse City was called to order at the Committee Room, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan, at 9:30 a.m.

The following Board Members were in attendance: Chairperson Gabe Schneider, Board Vice Chair Scott Hardy, Board Member Damian Lockhart, Mayor Richard Lewis, and Board Member Jeff Joubran

The following Board Members were absent: None

Chairperson Joubran presided at the meeting.

(a) **CALL TO ORDER**

Joubran called the meeting to order at 9:30AM.

(b) **ROLL CALL**

(c) **APPROVAL OF MINUTES**

The purpose of the consent calendar is to expedite business by grouping non-controversial items together to be dealt with by one DDA Board motion without discussion. Any member of the DDA Board, staff or the public may ask that any item on the consent calendar be removed therefrom and placed elsewhere on the agenda for individual consideration by the DDA Board; and such requests will be automatically respected. If an item is not removed from the consent calendar, the action noted in parentheses on the agenda is approved by a single DDA Board action adopting the consent calendar.

(1)

Consideration of approving the minutes of the regular Finance Committee meeting of April 11, 2022 (Approval recommended) (Jean Derenzy)

That the Finance Committee approve the minutes of the regular Finance Committee meeting of April 11, 2022.

Moved by Richard Lewis, Seconded by Gabe Schneider

Yes: Gabe Schneider, Scott Hardy, Damian Lockhart, Richard Lewis, and Jeff Joubran

Absent: None

CARRIED. 5-0-0 on a recorded vote

(d) **UPTOWN DEVELOPMENT**

(1)

Consideration of participating through payment of public infrastructure associated with the Uptown Brownfield Project (Approval Recommended) (Jean Derenzy)

The Following Addressed the Committee:

Jean Derenzy, DDA CEO
Richard Lewis
Michael Wills
Gabe Schneider
Scott Howard
Jeff Joubran
Scott Hardy
Damian Lockhart

That the Finance Committee approve to pay \$321,887 from TIF 97 for eligible public infrastructure activities for the Uptown Brownfield Project.

Richard Lewis amended the motion.

That the Finance Committee approve to pay \$321,887 from TIF 97 for eligible public infrastructure activities for the Uptown Brownfield Project payment to be made to the Grand Traverse County Brownfield Authority subject to the approval of funds by the full DDA Board.

Moved by Scott Hardy, Seconded by Richard Lewis

Yes: Gabe Schneider, Scott Hardy, Damian Lockhart, Richard Lewis, and Jeff Joubran

Absent: None

CARRIED. 5-0-0 on a recorded vote

That the Finance Committee rescind their motion to pay \$321,887 from TIF 97 for eligible public infrastructure activities for the Uptown Brownfield Project payment to

be made to the Grand Traverse County Brownfield Authority subject to the approval of funds by the full DDA Board.

Moved by Richard Lewis, Seconded by Gabe Schneider

Yes: Gabe Schneider, Scott Hardy, Damian Lockhart, Richard Lewis, and Jeff Joubran

Absent: None

CARRIED. 5-0-0 on a recorded vote

(e) **BUDGETS**

(1)

Additions to TIF 97 2022/2023 Budget (Approval Recommended) (Jean Derenzy)

The Following Addressed the Committee:

Jean Derenzy, DDA CEO
Jeff Joubran
Richard Lewis
Gabe Schneider
Damian Lockhart
Scott Hardy

That the Finance Committee approve to add two additional line items within the TIF 97 budget being East Front Street and Engineering and Trail Design for a total of \$300,000.

Richard Lewis amended the motion.

That the Finance Committee approve to add two additional capitol line items within the TIF 97 budget being East Front Street Mill and Fill and Engineering and Trail Design for the TART trail for a total of \$300,000.

Moved by Richard Lewis, Seconded by Gabe Schneider

Yes: Gabe Schneider, Scott Hardy, Damian Lockhart, Richard Lewis, and Jeff Joubran

Absent: None

CARRIED. 5-0-0 on a recorded vote

(f) **PUBLIC COMMENT**

No public comment.

(g) **ADJOURNMENT**

(1)

Motion to adjourn the meeting.

That the Finance Committee adjourn the meeting at 10:32AM.

Moved by Jeff Joubran, Seconded by Gabe Schneider

Yes: Gabe Schneider, Scott Hardy, Damian Lockhart, Richard Lewis, and
Jeff Joubran

Absent: None

CARRIED. 5-0-0 on a recorded vote

Jean Derenzy, Traverse City DDA
CEO

Draft



Downtown Development Authority
303 E. State Street
Traverse City, MI 49684
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231-922-2050

Memorandum

To: Finance Committee
From: Jean Derenzy, DDA CEO
Date: August 5, 2022
Re: Year-end Budget 21/22

Attached are the projected year-end balance sheets for all three accounts; DDA general, TIF 97 and Old Town. For both TIF 97 and Old Town I have put an estimate of what might be billed yet by the city for projects. To get that number, I took the difference of what was budgeted for the projects less what has been expenses Year to Date.

For DDA general, I added some known and possible adjustments at the bottom (in yellow).

In all cases for the three budgets, the estimated year end outlook provides the DDA in a positive direction.

Traverse City DDA - General
Budget vs. Actuals: 2021-22 Budget - FY22 P&L
July 2021 - June 2022

Friday, Aug 05, 2022 08:49:13 AM GMT-7 - Accrual Basis

	Total		
	YTD Actual	Annual Budget	Budget Variance
Income			
4100 TAXES			
4101 Property Taxes	128,747.52	137,500.00	8,752.48
Total 4100 TAXES	\$ 128,747.52	\$ 137,500.00	\$ 8,752.48
4200 GRANTS & CONTRIBUTIONS		2,159,900.00	2,159,900.00
4201 Contributions	1,000.00		-1,000.00
4204 Grants - EGLE cornwell	75,732.12		-75,732.12
4209 MEDC Civic Square	1,826,338.47		-1,826,338.47
4210 Grants & Contributions Healthy Drinking Culture Grant	33,837.44		-33,837.44
Total 4200 GRANTS & CONTRIBUTIONS	\$ 1,936,908.03	\$ 2,159,900.00	\$ 222,991.97
4209; Grants & Contributions	564.21		-564.21
4300 REIMBURSEMENTS		1,321,000.00	1,321,000.00
4302 Administrative Services	538,986.62		-538,986.62
4303 Parking Services	800,000.04		-800,000.04
4305 Farmers Market online Revenue	144,404.04		-144,404.04
Total 4300 REIMBURSEMENTS	\$ 1,483,390.70	\$ 1,321,000.00	\$ (162,390.70)
4401 Rents		90,000.00	90,000.00
4501 Interest & Dividends	866.81	600.00	-266.81
4600 Miscellaneous Revenue	1,429.01		-1,429.01
Total Income	\$ 3,551,906.28	\$ 3,709,000.00	\$ 157,093.72
Gross Profit	\$ 3,551,906.28	\$ 3,709,000.00	\$ 157,093.72
Expenses			
5100 SALARIES		858,000.00	858,000.00
5101 Salaries & Wages	506,469.68		-506,469.68
5102 Hourly Wage Expense	343,272.12		-343,272.12
Total 5100 SALARIES	\$ 849,741.80	\$ 858,000.00	\$ 8,258.20
5200 FRINGE BENEFITS		310,000.00	310,000.00
5201 Health Insurance	70,535.26		-70,535.26
5202 Disability Insurance Benefits	6,260.57		-6,260.57
5203 Life Insurance Expense	1,689.41		-1,689.41
5204 457 Company Matching	74,088.55		-74,088.55
5208 Social Security Tax Expense	57,729.89		-57,729.89
5209 Medicare Tax Expense	13,457.84		-13,457.84
5210 SUTA Tax Expense	3,461.31		-3,461.31
5211 Workers Compensation	10,255.00		-10,255.00
Total 5200 FRINGE BENEFITS	\$ 237,477.83	\$ 310,000.00	\$ 72,522.17
5300 OFFICE SUPPLIES AND UTILITIES	1,708.00	85,800.00	84,092.00
5301 Office Supplies	32,224.51		-32,224.51
5302 Utilities	9,859.16		-9,859.16
5303 Operation Supplies	1,022.61		-1,022.61
5304 Equipment	9,710.64		-9,710.64
5305 Dues and Memberships	14,213.76		-14,213.76
5306 Printing & Publishing	6,840.48		-6,840.48
5307 Communications	11,841.24		-11,841.24
5308 Miscellaneous Expense	10,522.23		-10,522.23
5309 Civic Square	6,013.26	100,000.00	93,986.74
Total 5300 OFFICE SUPPLIES AND UTILITIES	\$ 103,955.89	\$ 185,800.00	\$ 81,844.11
5400 PROFESSIONAL SERVICES	42,560.00	836,000.00	793,440.00
5401 Contract Services	56,040.00		-56,040.00
5402 Legal	58,590.00		-58,590.00
5403 Professional/Contractual	130,596.64		-130,596.64
5405 Community Promotion	6,239.90		-6,239.90
5409 Grant exp EGLE cornwell bldg	76,278.50		-76,278.50

5412 Grant exp Rotary IFF grant	2,600.00		-2,600.00
5413 Grant Exp SOM Civic Square	1,821,102.05	1,721,900.00	-99,202.05
5415 Online Farmers Market Expense	134,651.25		-134,651.25
5416 Prof Services Healthy Drinking Culture Grant	43,032.70		-43,032.70
Total 5400 PROFESSIONAL SERVICES	\$ 2,371,691.04	\$ 2,557,900.00	\$ 186,208.96
5500 TRAVEL AND CONFERENCES	4,852.19	35,000.00	30,147.81
5501 Lodging, meals	3,276.80		-3,276.80
5502 Transportation	3,294.78		-3,294.78
5503 Training	150.00		-150.00
Total 5500 TRAVEL AND CONFERENCES	\$ 11,573.77	\$ 35,000.00	\$ 23,426.23
5600 REPAIRS AND MAINTENANCE		3,000.00	3,000.00
5700 RENTAL EXPENSE		80,000.00	80,000.00
5701 Rentals	872.25		-872.25
Rent Expense	800.00		-800.00
Total 5700 RENTAL EXPENSE	\$ 1,672.25	\$ 80,000.00	\$ 78,327.75
Total Expenses	\$ 3,576,112.58	\$ 4,029,700.00	\$ 453,587.42
Net Operating Income	\$ (24,206.30)	\$ (320,700.00)	\$ (296,493.70)
Net Income	\$ (24,206.30)	\$ (320,700.00)	\$ (296,493.70)
<i>Additional Year End Adjustments Expected:</i>			
Year End adjustments to payroll & related liability accounts	30,000.00	0.00	(30,000.00)
Invoices for FY21-22 to be received/paid estimate	25,000.00	0.00	(25,000.00)
Year End adjustments to deposit accounts	30,000.00	0.00	(30,000.00)
Projected Net Income for 6/30/2022	\$ (109,206.30)	\$ (320,700.00)	\$ (211,493.70)

Traverse City DDA - TIF 97
Budget vs. Actuals: 2021-22 Budget - FY22 P&L

July 2021 - June 2022

As of Friday, Aug 05, 2022 08:35:40 AM GMT-7 - Accrual Basis

	Total		
	YTD Actual/Projected	Annual Budget	Budget Variance
Income			
4100 TAXES			0.00
4101 Property Taxes	3,154,727.92	3,106,550.00	-48,177.92
Total 4100 TAXES	\$ 3,154,727.92	\$ 3,106,550.00	\$ (48,177.92)
4300 REIMBURSEMENTS	381,391.93	130,000.00	-251,391.93
4500 INTEREST INCOME			0.00
4501 Interest & Dividends	4,120.92	4,500.00	379.08
Total 4500 INTEREST INCOME	\$ 4,120.92	\$ 4,500.00	\$ 379.08
Total Income	\$ 3,540,240.77	\$ 3,241,050.00	\$ (299,190.77)
Gross Profit	\$ 3,540,240.77	\$ 3,241,050.00	\$ (299,190.77)
Expenses			
5300 OFFICE SUPPLIES AND UTILITIES			0.00
5302 Utilities	46,134.06		-46,134.06
Total 5300 OFFICE SUPPLIES AND UTILITIES	\$ 46,134.06	\$ -	\$ (46,134.06)
5400 PROFESSIONAL SERVICES	83,270.71	739,300.00	656,029.29
5401 Contract Services	439,238.32		-439,238.32
5402 Legal	5,325.00		-5,325.00
5403 Professional/Contractual	9,706.81		-9,706.81
5405 Administrative	311,175.00		-311,175.00
Total 5400 PROFESSIONAL SERVICES	\$ 848,715.84	\$ 739,300.00	\$ (109,415.84)
5500 CONTRIBUTIONS TO DISTRICT CONSTRUCTION PROJECTS	330,211.89	1,708,000.00	1,377,788.11
5600 CONTRIBUTIONS TO OTHER GOVERNMENTS-DEBT SERVICE	930,696.86	931,550.00	853.14
Bank Charges	3,406.73		-3,406.73
Capital Outlay	13,206.00		-13,206.00
Printing & Publishing		200.00	200.00
Repairs and Maintenance	9,164.97	15,000.00	5,835.03
Taxes Paid	6,786.39		-6,786.39
Total Expenses	\$ 2,188,322.74	\$ 3,394,050.00	\$ 1,205,727.26
Net Operating Income	\$ 1,351,918.03	\$ (153,000.00)	\$ (1,504,918.03)
Net Income as of 8/5/22	\$ 1,351,918.03	\$ (153,000.00)	\$ (1,504,918.03)
Additional Year End Adjustments Expected:			
Project expenses to be billed from City *	1,377,788.11	0.00	1,377,788.11
Projected Net Income for 6/30/2022	\$ (25,870.08)	\$ (153,000.00)	\$ (127,129.92)

*

DDA Old Town TIF
Budget vs. Actuals: 2021-22 Budget - FY22 P&L
July 2021 - June 2022

As of Friday, Aug 05, 2022 08:24:17 AM GMT-7 - Accrual Basis

	Total		
	YTD Actual/Projected	Annual Budget	Budget Variance
Income			
4100 TAXES			0.00
4101 Property Taxes	593,951.48	555,000.00	38,951.48
Total 4100 TAXES	\$ 593,951.48	\$ 555,000.00	\$ 38,951.48
4500 INTEREST INCOME			0.00
4501 INTEREST & DIVIDENDS	113.43	100.00	13.43
Total 4500 INTEREST INCOME	\$ 113.43	\$ 100.00	\$ 13.43
Total Income	\$ 594,064.91	\$ 555,100.00	\$ 38,964.91
Gross Profit	\$ 594,064.91	\$ 555,100.00	\$ 38,964.91
Expenses			
5400 PROFESSIONAL SERVICES	0.00		0.00
5401 Contract Services	5,000.00		5,000.00
5403 Professional/Contractual	136,825.00	215,750.00	-78,925.00
Total 5400 PROFESSIONAL SERVICES	\$ 141,825.00	\$ 215,750.00	\$ (73,925.00)
5500 CONTRIBUTIONS TO DISTRICT CONSTRUCTION PROJECTS	189,065.31	562,000.00	-372,934.69 *
Printing & Publishing		100.00	-100.00
Purchases	58.38		58.38
Total Expenses	\$ 330,948.69	\$ 777,850.00	\$ (446,901.31)
Net Operating Income	\$ 263,116.22	\$ (222,750.00)	\$ 485,866.22
Net Income as of 8/5/22	\$ 263,116.22	\$ (222,750.00)	\$ 485,866.22
Additional Year End Adjustments Expected:			
Project expenses to be billed from City *	372,934.69	0.00	372,934.69
Projected Net Income for 6/30/2022	\$ (109,818.47)	\$ (222,750.00)	\$ 112,931.53



Downtown Development Authority
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Traverse City, MI 49684
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231-922-2050

Memorandum

To: Finance Committee

From: Jean Derenzy, DDA CEO

Date: August 4, 2022

Subject: Neighborhood Enterprise Zone within DDA District

There has been a request for consideration of a Neighborhood Enterprise Zone (NEZ) that would provide for rental housing in downtown Traverse City, with a portion of the units meeting 80% of the area medium income. At the July DDA Board the item was referred to the Finance Committee to look at proformas and request information from a Developer that has utilized this tool previously and how the tool benefited the project.

Attached is a cashflow table which provides a line that identifies the lower taxes received on the rental units with an NEZ.

Below is the information provided to the DDA Board at the July meeting.

The Neighborhood Enterprise Zone (NEZ) Act, PA 147 of 1992, as amended, provides tax exemptions for the development and rehabilitation of residential housing located within eligible distressed communities (Traverse City is identified as an eligible community) for a period of 6 to 15 years. Under the Act, the NEZ:

- Must contain not less than 10 platted parcels of land which are compact and contiguous.
- Can be designated in more than one areas of the city.
- Can be established for a period between 6 to 15 years. The duration of such is determined by the City. However, such a designation is subject to review and approval by the State Tax Commission.
- Be established prior to an application being received. Meaning that the NEZ is established in an area(s) and the private developer is then aware and could make application. An NEZ establishment does not guarantee approval of process.

It is important to note, the NEZ would be utilized on all rental units or homestead units, again depending on the development, but not on the commercial elements/non-housing elements within the development. Within the DDA District, an agreement would be entered into between the DDA, City and developer to ensure that the program is followed and agreements relating to target housing identified are met. In addition, there

are other elements within the agreement **that could be** required; from meeting enhanced mobility goals to green infrastructure goals.

The NEZ provides an opportunity to establish a public/private partnership that would secure rental apartments with a mixed-income level from 60% to 120% of the area medium income (as determined annual by the Michigan State Housing Development Authority for the City of Traverse City or homestead housing depending on the development). The DDA has previously looked at utilizing TIF to obtain mixed-income rental apartments at 80% to 120% (or below) the area medium income. The NEZ program is another approach to achieve the same goal.

In addition to the tax reduction identified above, the last three years of the NEZ agreement would be reduced (meaning more taxes paid for the last three years). Below is an example of the tax rate.

Year No.	Year	Annual (%) Reduction
1	2023	53%
2	2024	53%
3	2025	53%
4	2026	53%
5	2027	53%
6	2028	53%
7	2029	53%
8	2030	53%
9	2031	53%
10	2032	53%
11	2033	53%
12	2034	53%
13	2035	11%
14	2036	7%
15	2037	4%

PROJECT CASH FLOW

This worksheet is utilized to provide a 20 year operating projection following construction completion.

Fill in all blue shaded inputs cells

Development Name:
 City/Township/Village: Traverse City
 County: Grand Traverse
 Construction Type: New Construction

Inflation Factor Yr. 2
 Inflation Factor Yr. 3
 Inflation Factor Yr. 4
 Inflation Factor Future

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12

						1	2	3	4	5	6	7	8	9	10
DEVELOPMENT INCOME:															
TIF Reimbursements						\$3,238,270									
Other Recurring Revenue						\$0									
Annual Gross Residential Rental Income	2.0%	2.0%	2.0%	2.0%		\$1,579,752	\$1,611,347	\$1,643,574	\$1,676,445	\$1,709,974	\$1,744,174	\$1,779,057	\$1,814,638	\$1,850,931	\$1,887,950
Annual Gross Commercial Rental Income	2.0%	2.0%	2.0%	2.0%		\$309,667	\$315,860	\$322,177	\$328,621	\$335,193	\$341,897	\$348,735	\$355,709	\$362,824	\$370,080
Annual Gross Hospitality Room & Related Income	2.0%	2.0%	2.0%	2.0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Gross Hospitality Banquet Income	2.0%	2.0%	2.0%	2.0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Gross Hospitality Conference Income	2.0%	2.0%	2.0%	2.0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Gross Hospitality Restaurant Income	2.0%	2.0%	2.0%	2.0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Gross Hospitality Miscellaneous Income	2.0%	2.0%	2.0%	2.0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Gross Public Parking Income	2.0%	2.0%	2.0%	2.0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Gross Dedicated Spaces 1 Parking Income	2.0%	2.0%	2.0%	2.0%		\$112,500	\$114,750	\$117,045	\$119,386	\$121,774	\$124,209	\$126,693	\$129,227	\$131,812	\$134,448
Annual Gross Dedicated Spaces 2 Parking Income	2.0%	2.0%	2.0%	2.0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Gross Dedicated Spaces 3 Parking Income	2.0%	2.0%	2.0%	2.0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Other Income	2.0%	2.0%	2.0%	2.0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross Income	Yr. 1	Yr. 2	Yr. 3	Stab		\$2,001,919	\$2,041,957	\$2,082,796	\$2,212,225	\$2,502,696	\$2,549,413	\$2,597,079	\$2,645,712	\$2,695,331	\$2,745,958
Vacancy Loss Residential	60.0%	40.0%	5.0%	5.0%		(\$947,851)	(\$644,539)	(\$82,179)	(\$83,822)	(\$85,499)	(\$87,209)	(\$88,953)	(\$90,732)	(\$92,547)	(\$94,397)
Vacancy Loss Commercial	60.0%	40.0%	10.0%	10.0%		(\$185,800)	(\$126,344)	(\$32,218)	(\$32,862)	(\$33,519)	(\$34,190)	(\$34,873)	(\$35,571)	(\$36,282)	(\$37,008)
Vacancy Loss Hospitality	35.0%	35.0%	35.0%	35.0%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Income						\$868,267	\$1,271,074	\$1,968,400	\$2,095,541	\$2,383,678	\$2,428,015	\$2,473,253	\$2,519,409	\$2,566,502	\$2,614,552
DEVELOPMENT OPERATING EXPENSES:															
						55%	75%	100%	100%	100%	100%	100%	100%	100%	100%
Administrative Expenses	2.4%	2.4%	2.4%	2.4%		\$161,723	\$225,824	\$308,325	\$315,725	\$323,303	\$331,062	\$339,007	\$347,144	\$355,475	\$364,006
Management Fees				2.4%		\$51,319	\$69,980	\$93,307	\$93,307	\$93,307	\$93,307	\$93,307	\$93,307	\$93,307	\$93,307
Office Payroll				2.4%		\$65,931	\$89,906	\$119,875	\$119,875	\$119,875	\$119,875	\$119,875	\$119,875	\$119,875	\$119,875
Payroll Taxes				2.4%		\$9,625	\$13,125	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500
Benefits/Worker's Comp.				2.4%		\$4,345	\$5,925	\$7,900	\$7,900	\$7,900	\$7,900	\$7,900	\$7,900	\$7,900	\$7,900
Advertising/Marketing				2.4%		\$13,728	\$18,720	\$24,960	\$24,960	\$24,960	\$24,960	\$24,960	\$24,960	\$24,960	\$24,960
Legal/Accounting				2.4%		\$13,200	\$18,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
General Office				2.4%		\$3,575	\$4,875	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500
Other:				2.4%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other:				2.4%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	2.4%	2.4%	2.4%	2.4%		\$59,400	\$82,944	\$113,246	\$115,964	\$118,747	\$121,597	\$124,516	\$127,504	\$130,564	\$133,698
Electricity				2.4%		\$34,100	\$46,500	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000
Fuel				2.4%		\$25,300	\$34,500	\$46,000	\$46,000	\$46,000	\$46,000	\$46,000	\$46,000	\$46,000	\$46,000
Water & Sewer				2.4%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maintenance/Non-Capitalized Repairs	2.4%	2.4%	2.4%	2.4%		\$75,405	\$105,293	\$143,760	\$147,210	\$150,743	\$154,361	\$158,066	\$161,859	\$165,744	\$169,722
Maintenance/Janitorial Payroll				2.4%		\$48,400	\$66,000	\$88,000	\$88,000	\$88,000	\$88,000	\$88,000	\$88,000	\$88,000	\$88,000
Janitorial Supplies				2.4%		\$3,300	\$4,500	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Extermination				2.4%		\$1,320	\$1,800	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
Rubbish Removal				2.4%		\$6,820	\$9,300	\$12,400	\$12,400	\$12,400	\$12,400	\$12,400	\$12,400	\$12,400	\$12,400
Snow Removal				2.4%		\$1,320	\$1,800	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
Lawn/Tree Maintenance				2.4%		\$2,475	\$3,375	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500
Parking Lot Repairs				2.4%		\$1,485	\$2,025	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700	\$2,700
Painting/Decorations/Cleaning				2.4%		\$2,805	\$3,825	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100	\$5,100
Heating & Air Repairs				2.4%		\$3,300	\$4,500	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Plumbing/Electrical Repairs				2.4%		\$2,200	\$3,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Elevator Maintenance				2.4%		\$1,980	\$2,700	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600
Vehicle/Equipment Maintenance				2.4%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Security				2.4%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other:				2.4%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other:				2.4%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Real Estate Taxes	2.4%	2.4%	2.4%	2.4%		\$279,653	\$286,365	\$293,237	\$300,275	\$307,482	\$314,861	\$322,418	\$330,156	\$338,080	\$346,194
Tax Abatement (-)						\$75,000	\$76,800	\$78,643	\$80,531	\$82,463	\$84,442	\$86,469	\$88,544	\$90,669	\$92,846
Property & Liability Insurance	2.4%	2.4%	2.4%	2.4%		\$24,750	\$34,560	\$47,186	\$48,318	\$49,478	\$50,665	\$51,881	\$53,127	\$54,402	\$55,707
Reserve Requirements	2.4%	2.4%	2.4%	2.4%		\$11,000	\$15,360	\$20,972	\$21,475	\$21,990	\$22,518	\$23,058	\$23,612	\$24,179	\$24,759
Other:	2.4%	2.4%	2.4%	2.4%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other:	2.4%	2.4%	2.4%	2.4%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other:	2.4%	2.4%	2.4%	2.4%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other:	2.4%	2.4%	2.4%	2.4%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Exp. Adjust. (-)															
Exp. Adjust. (-)															
Total Expenses						\$536,931	\$673,546	\$848,083	\$868,437	\$889,280	\$910,622	\$932,477	\$954,857	\$977,773	\$1,001,240
Cash Flow Available for Debt Service						\$331,336	\$597,528	\$1,120,317	\$1,227,104	\$1,494,398	\$1,517,393	\$1,540,776	\$1,564,552	\$1,588,729	\$1,613,313
DEBT SERVICE REQUIREMENTS:															
						I/O Period	Term	Amount							
Loan 1 DS: Centier Bank						24	120	360	\$738,886	\$738,886	\$1,058,267	\$1,058,267	\$1,058,267	\$1,058,267	\$1,058,267
Loan 2 DS: EGLE						60	156	96	\$0	\$0	\$0	\$77,226	\$77,226	\$77,226	\$77,226
Loan 3 DS:						0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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Loan 4 DS:	60	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Int. Loan 5 DS: xxx	N/A	60	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Oblig. 1 xxx	N/A	0	N/A											
Other Oblig. 2 xxx	N/A	0	N/A											
MEDC Conventional Loan	0	60	240	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow Available after Debt Service				(\$837,081)	(\$372,139)	\$62,050	\$168,837	\$436,131	\$355,701	\$379,083	\$402,860	\$427,037	\$451,620	
Debt Service Coverage Ratio				-0.13	0.50	1.06	1.16	1.41	1.31	1.33	1.35	1.37	1.39	
OTHER NON-RECURRING INCOME														
Annual Gross Income from Condo Sales	\$0													
Non-Recurring Income														
Non-Recurring Income														
Cash from Release of Reserves														
OTHER NON-RECURRING OBLIGATIONS:														
Debt Principal Repayments				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MEDC Subordinated Cash Flow Loan				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Repayment of Deferred Developer Fees	\$0													
Historic Investor Preferred Returns														
MEDC Equity Disbursements				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow Available for Distribution to Investors				(\$837,081)	(\$372,139)	\$62,050	\$168,837	\$436,131	\$355,701	\$379,083	\$402,860	\$427,037	\$451,620	

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$267,084	\$292,499	\$218,648	(\$23,301)	(\$3,223)	\$17,141	\$37,794	\$58,739	\$79,980	\$101,517	\$123,356	\$145,498	\$167,947	\$190,705	\$213,776	\$237,161	\$260,864	\$284,888	\$309,235	\$333,908	
1.19	1.21	1.16	0.98	1.00	1.01	1.03	1.05	1.06	1.08	1.10	1.11	1.13	1.15	1.17	1.19	1.21	1.22	1.24	1.26	

(Staff Use Only)
 Yr. Start Avg. DSCR
 1.08

\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$267,084	\$292,499	\$218,648	(\$23,301)	(\$3,223)	\$17,141	\$37,794	\$58,739	\$79,980	\$101,517	\$123,356	\$145,498	\$167,947	\$190,705	\$213,776	\$237,161	\$260,864	\$284,888	\$309,235	\$333,908	