Neighbourhood Level Distribution Centre

Can local logistics function as a community institution as a new architectural typology.

Last Mile Delivery Trends

Online Retail Trends

Online Retail is on the rise.
Present online retail accounts to less than 20% of total retail business throughout the US and expected to grow.

Online retail is becoming more popular.
Mostly can be accounted to Amazon Prime.

Increase in diverse services.
Online retail is diversifying from merchandise retail to grocery and on-demand food orders

Increase in demand has led to an increase in Infrastructure.
Rise in secondary infrastructural typologies (sorting centres and

New York Trends

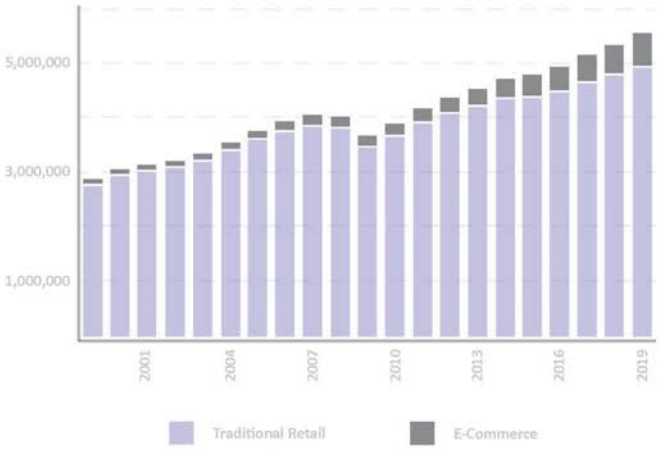
1.5 million packages are delivered each day.
One package is delivered for every eighth person living in New York.

35.7 million trucks entered New York in 2018.
Majority of these trucks were delivering online retail packages. This number would increase with growth in online retail.

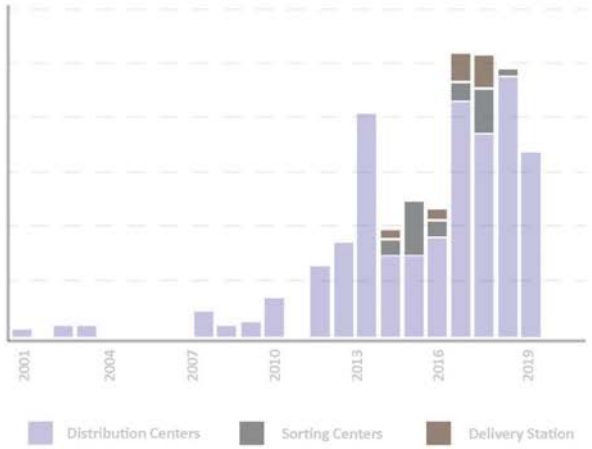
FedEx, FreshDirect, Peapod and UPS racked up just over 515,000 summonses for parking violations in 2018, totaling $27 million in fines

New warehouse facilities under construction.
To fulfil the demand in New York and its fie borrowers, warehouses are under construction in areas close to the city.

Rise in Online Retail



Rise in secondary infrastructure typology




FedEx
Ground
FedEx
Ground
fedex.com
1.800.GoFedEx

This above image shows how last mile delivery process in carried out.

- Truck is unloaded on the street.
- Packages are sorted on the road.
- Then placed on a cart to be delivered.

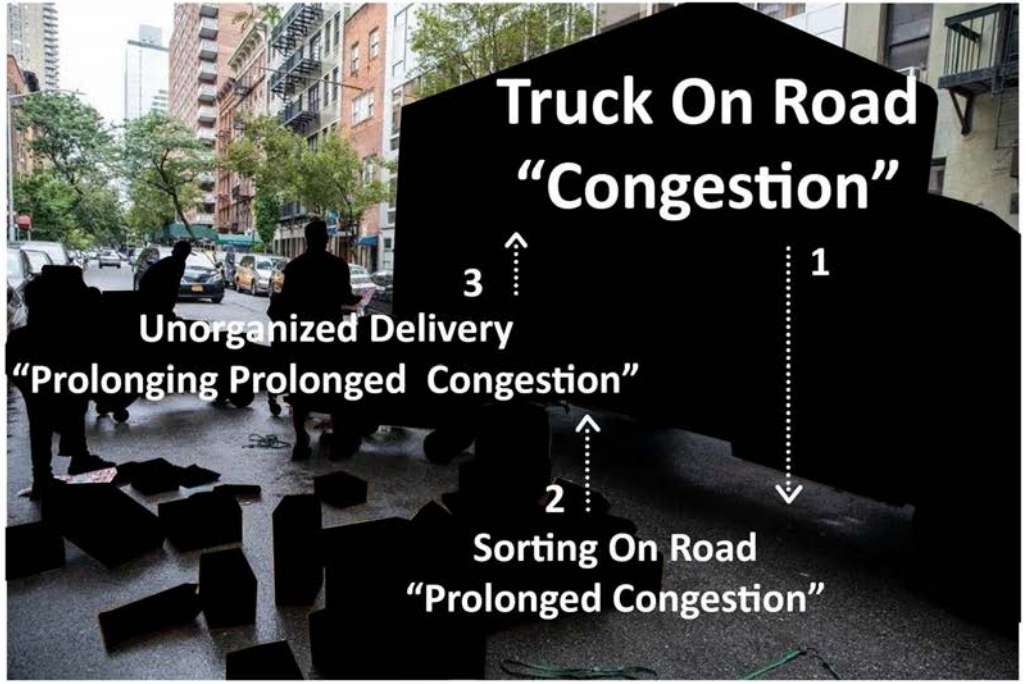
Two main issues with unregulated delivery

Delivery vehicles are adding to traffic on the streets.

Freight companies are using public space for private enterprise.


FedEx
Ground
FedEx
Ground
fedex.com
1.800.GoFedEx

This entire process takes place every time the truck makes a stop to deliver at a location. Every stop that it makes increases it footprint on the road leading to traffic blockage and prolonged congestion.


Truck On Road
"Congestion"
1
3
Unorganized Delivery
"Prolonging Prolonged Congestion"
2
Sorting On Road
"Prolonged Congestion"

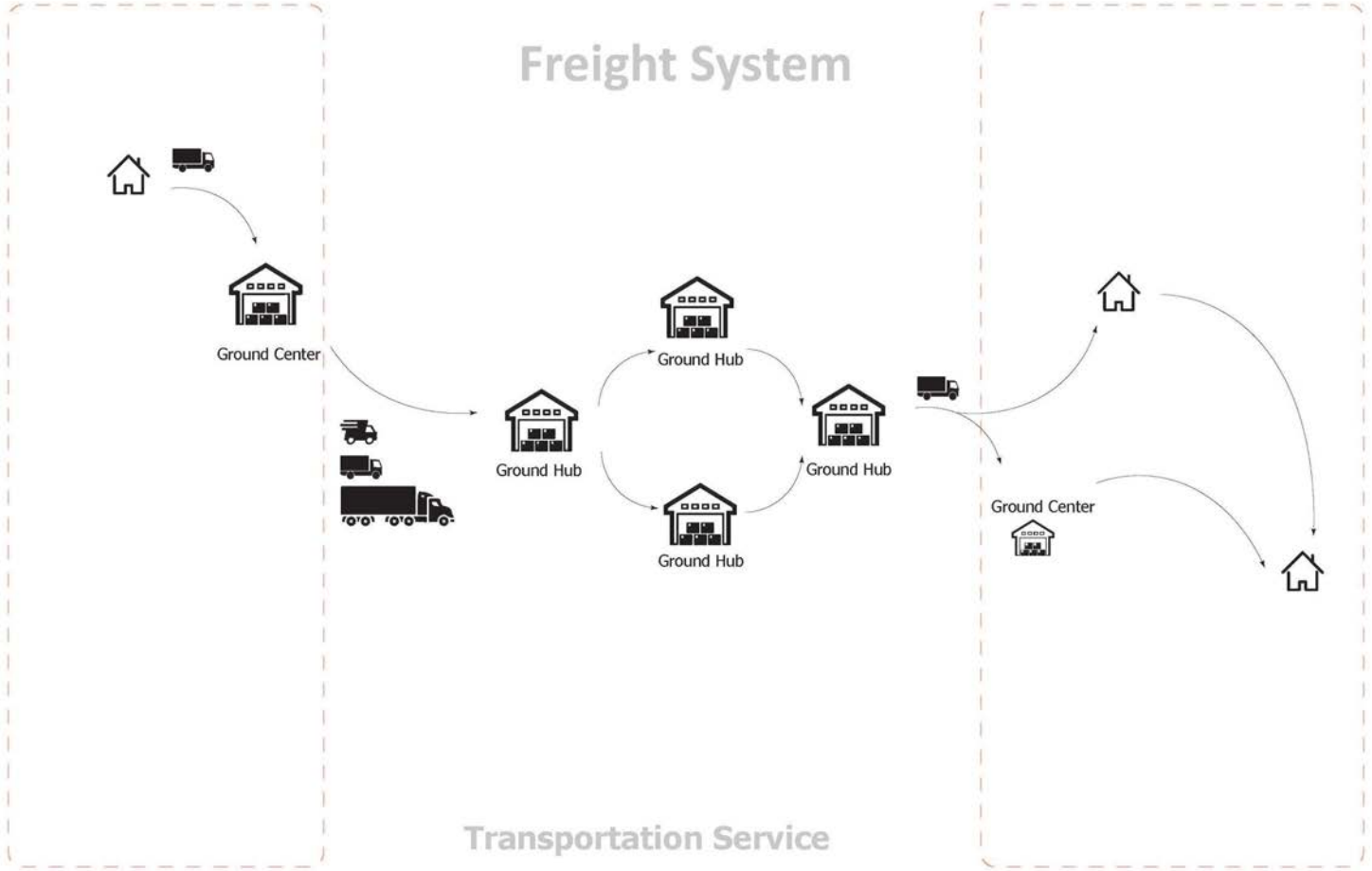
Problems in Existing System.

Online Retail Trends

Lack of transit space for freight delivery.
Present online retail accounts to less than 20% of total retail business throughout the US and expected to grow.

Lack of Sorting spaces for packages
Mostly can be accounted to Amazon Prime.

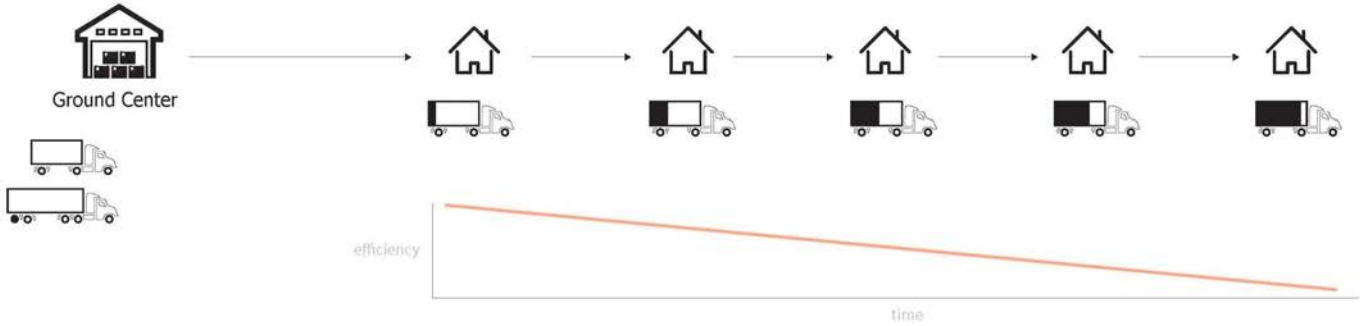
Unorganized Delivery mechanism.
Online retail is diversifying from merchandise retail to grocery and on-demand food orders


Freight System
Ground Center
Ground Hub
Ground Hub
Ground Hub
Ground Hub
Ground Center
Transportation Service

This deficiency in last mile package handling can also be attributed to the package is handled throughout the process. It is an exhaustive process in which packages are relayed through ground centres and ground hubs to their final destination using freight trucks.

Such a system especially at the last mile requires an increased amount of vehicular footprint on road and can be detrimental to the city especially a city such as New York that is very dense.

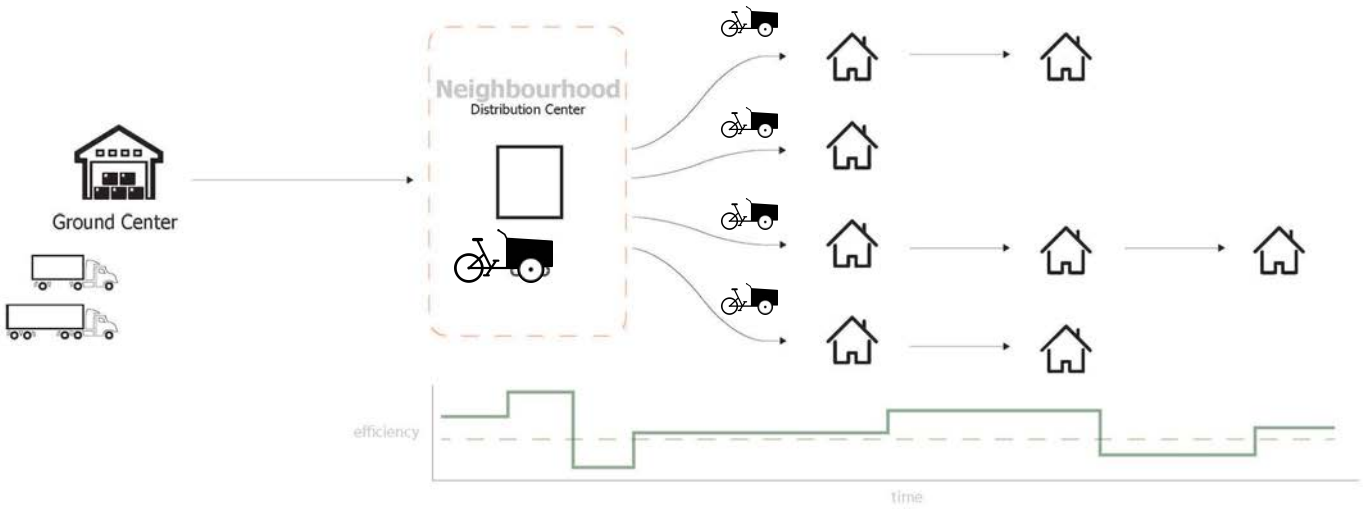
Existing System



The last mile delivery works like this.

- A truck leaves the ground centre to deliver the packages.
- It progressively empties its cargo delivering packages throughout the neighbourhood.
- While the truck is emptied the footprint of the truck on the road remains the same.
- This makes the efficiency drop as the truck delivers its packages.

System Proposal



A system can be deployed where

- Consolidated packages can be dropped at a facility in the neighbourhood at night when the traffic on road is less.
- During the day cargo bikes can deliver the packages at their destination.

Cargo Bikes

In such a system cargo bikes would be deployed which have a considerable less footprint on the road.

This would also provide job opportunities for the local community.

Our site is in East Village, New York.

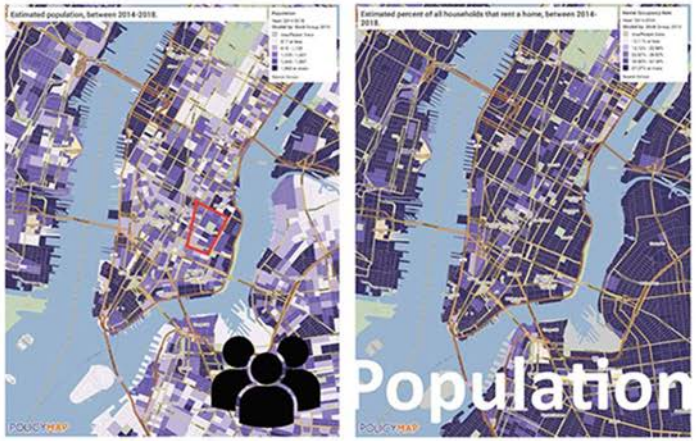
NY

EAST VILLAGE

Area requirement Calculations would require three factors.

- Population of a neighbourhood.
- A ratio of total packages delivered in New York to total population
- Warehouse utilization factor.

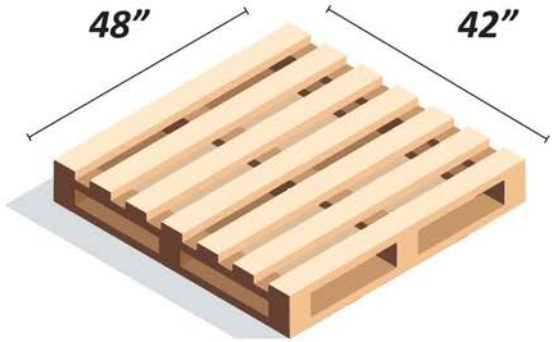
Population



Population to package ratio

8,600,000 = 1,500,000

8.6 = 1.5



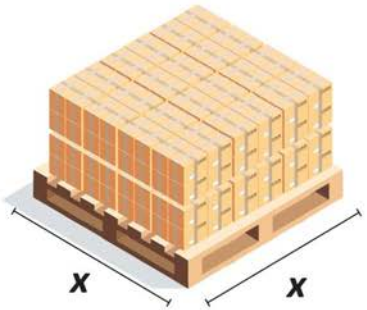
Pallet

A pallet is a horizontal platform typically affixed to a superstructure and a bottom deck. It allows it to be lifted and moved by material handling equipment such as lift trucks and conveyors, as well as to be placed in appropriate storage systems and transport vehicles. The pallet provides the base for assembling, storing, handling, and transporting materials and products. Additionally, a pallet provides protection to the product on it.

Space Requirement

Calculation

Warehouse utilization is an important consideration in determining the warehouse requirements for a product and is almost always underestimated. No warehouse uses every part of the warehouse for storage- some is inevitably used for items like columns, setbacks, rows between product, staging and checking areas, maintenance, loading areas, safety walkways, administrative areas and equipment parking. Additionally, no product configuration ever utilizes every stack and every bay at all times due to product rotation, audit requirements, stack issues, quality issues and other items related to the nature of the product.

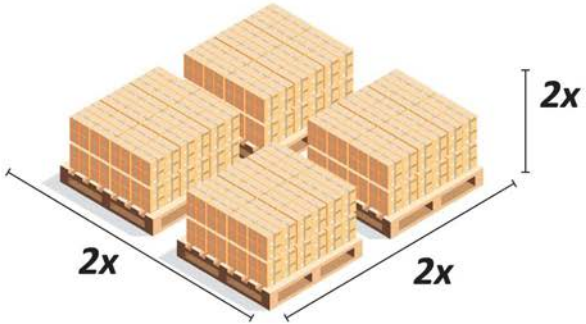


Size

Warehouse Utilization

80% utilization: 1-2 SKUs with no date codes, product stacks neatly and tight.
70% utilization: 2-10 SKUs with no date codes, product turns 4-6 times per year.
60% utilization: typical non-date coded product 10-100 SKUs with 6-12 inventory turns per year. This is mostly non-perishable consumer goods.
50% utilization: typical food grade utilization for product that stacks neatly and turns 10-15 times per year. Date code will keep every bay from being fully used.
40% utilization: typical when product does not stack neat!

Number



Stacking

Can product be stacked, how many pallets high.

East Village
Delivery Size

8967 sqft

11956 sqft

17933 sqft

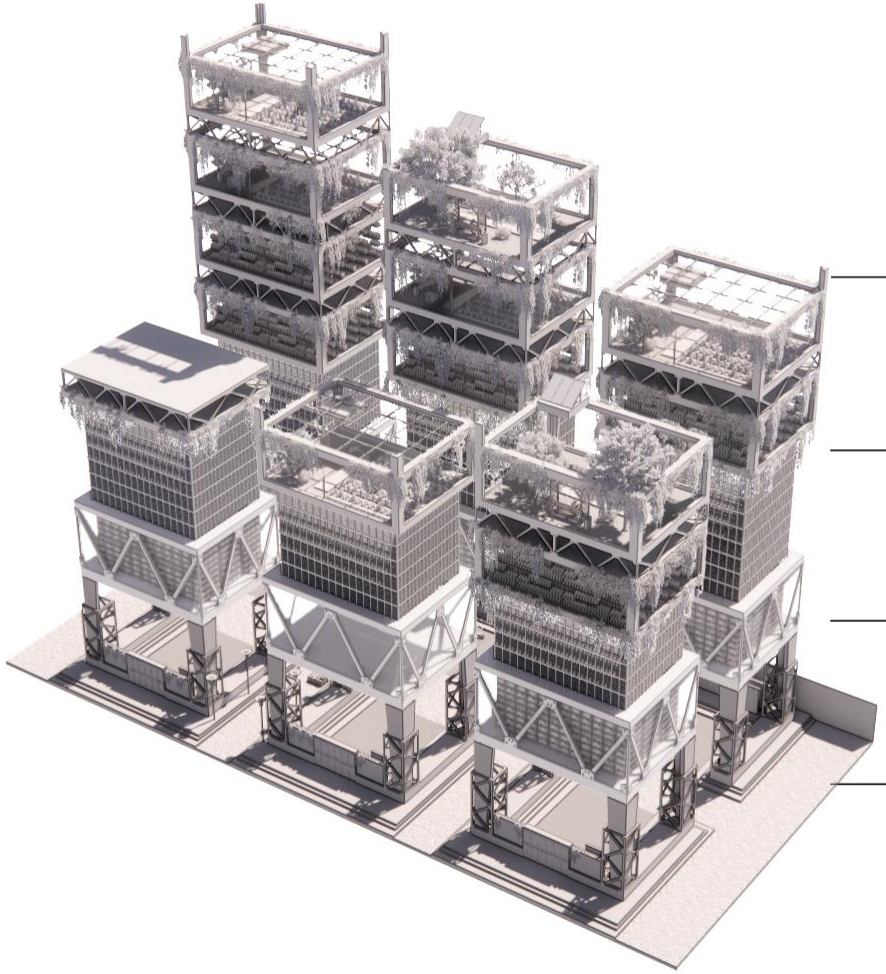
30870

5382

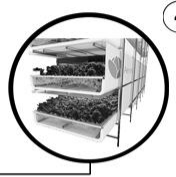
538

Building Proposal

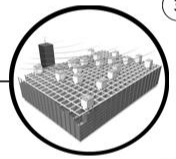

Neighbourhood
Distribution
Centre



4 Green house spaces

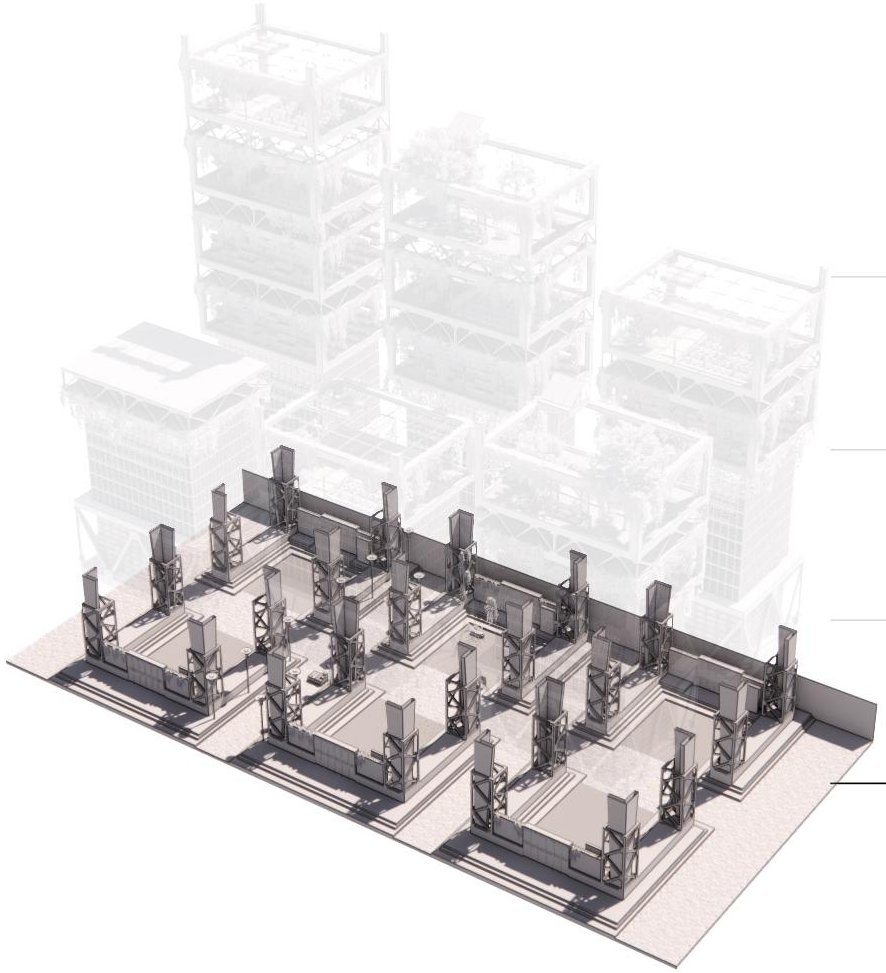


3 Sorting spaces for packages



2 Temporary storage

1 Transit



4 Green house spaces

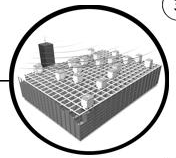
3 Sorting spaces for packages

2 Temporary storage

1 **Transit**

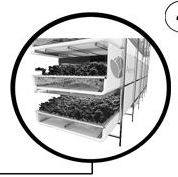
4 Green house spaces

3 Sorting spaces for packages

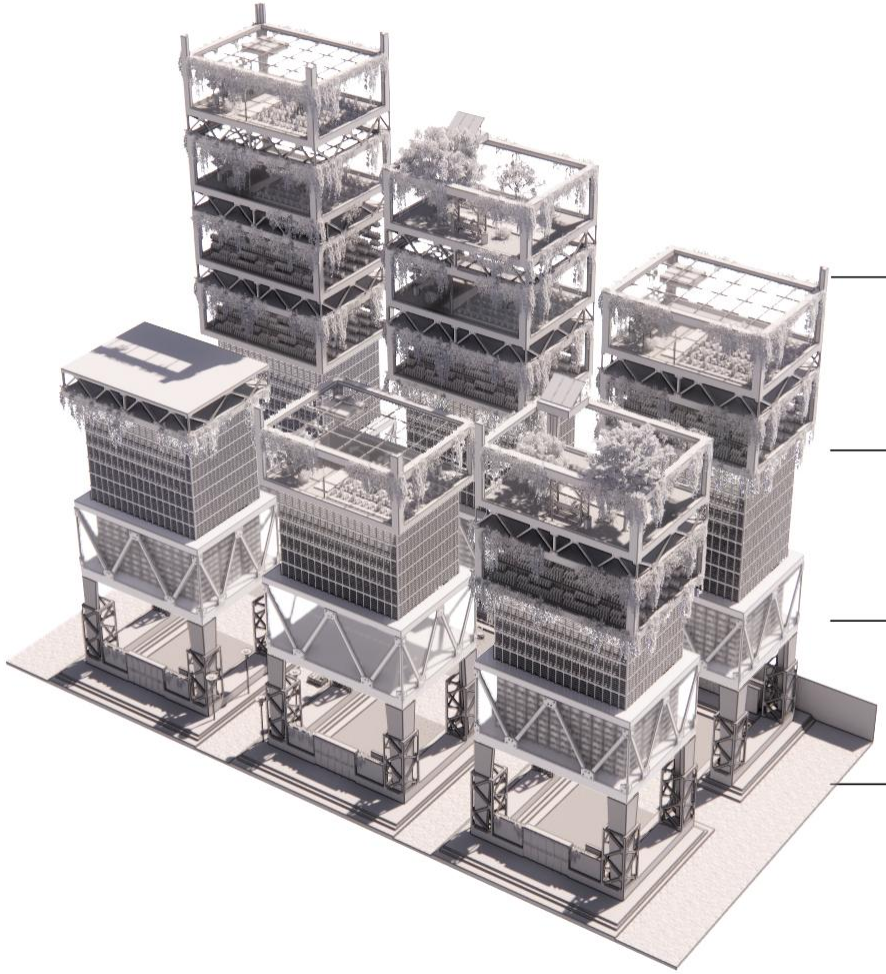


2 Temporary storage

1 Transit



4 Green house spaces



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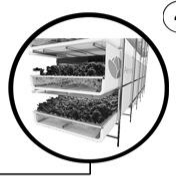

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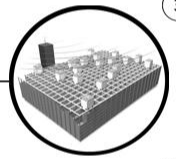

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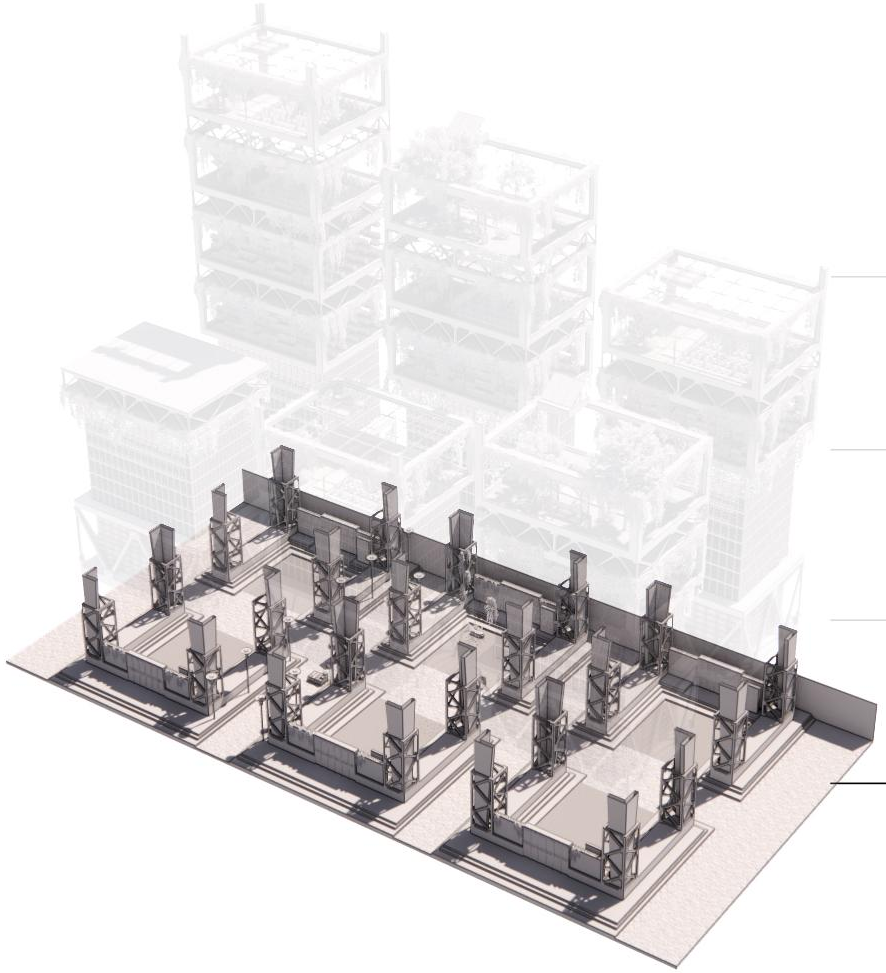


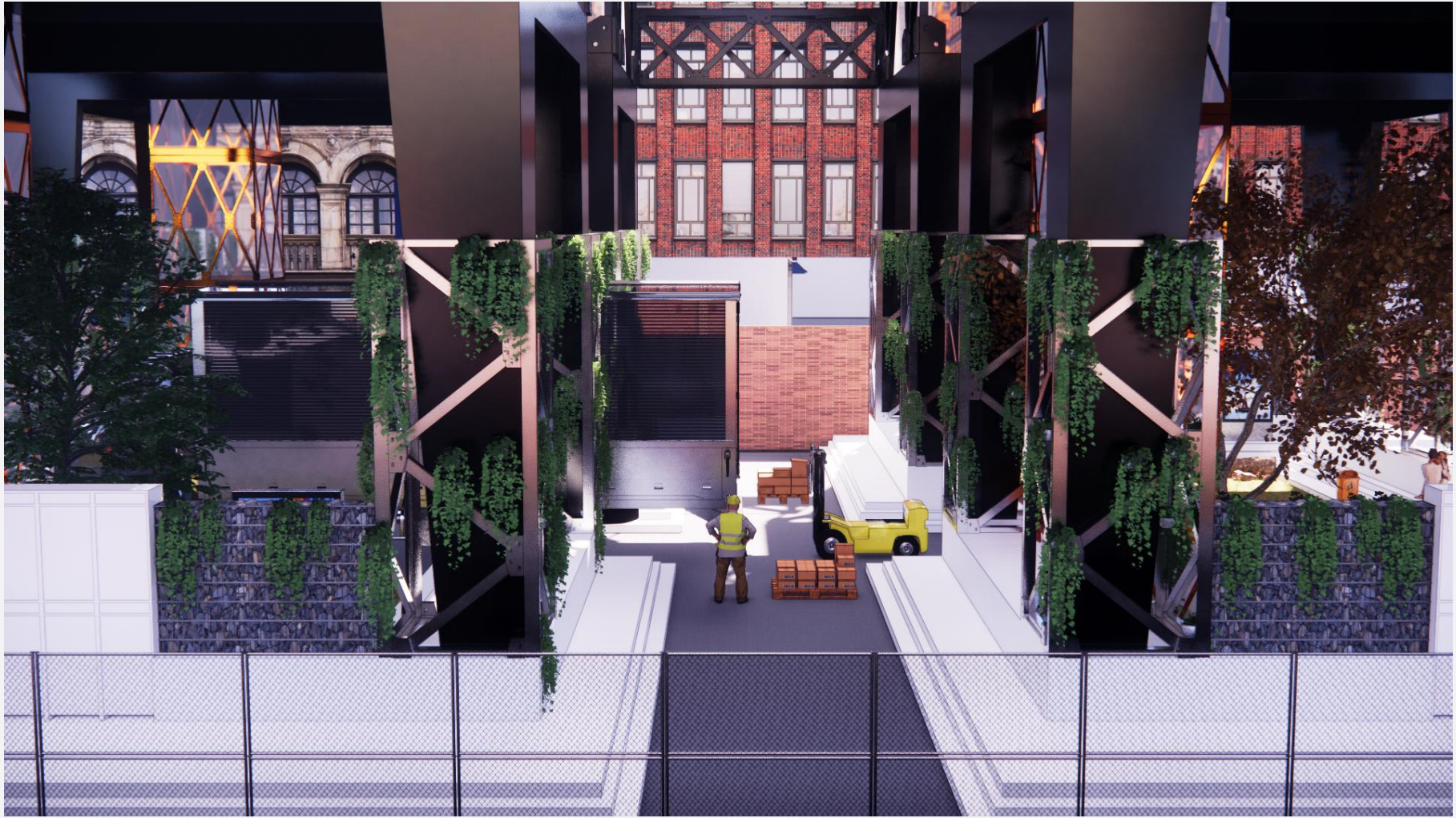
4 Green house spaces

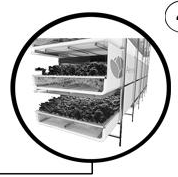
3 Sorting spaces for packages

2 Temporary storage

1 **Transit**


TRA
VEL
THE
WORLD





4 Green house spaces

Why a greenhouse?

The existing site is used as a green cultivation / Greenhouse space.

Its is a seasonal space.

We aim to provide a better-equipped facility
which is
1. A green space equaling the site area.
2. A year-long functional greenhouse facility.
3. A green space at a height with great views.

In Context of the East Village

Character of The Village

East Village is chiefly mid-rise residential neighborhood. With light, smaller retail options at the street level. It is an area known for residents taking pride in their community. It is also renowned as the area where “struggling artists” (visual and musical) from across the country have long established a flourishing and vibrant community in New York.

In Context of the East Village

Demographics

- Roughly 45,000 residents
- Predominantly Caucasian
- Mostly medium income to working class residents.
- Families, singles and “struggling artists”

The nature of the new development will consider the sensibilities and desires of this community to meet their lifestyle, quality of life, and employment opportunities.

Wikipedia, census data

Characteristics of the Built Environment

- East Village Vernacular:
    - Mid-rise
    - Brick residential
    - First floor, Basement retail
    - Moderate vehicular traffic in residential streets (number streets).
    - Heavy traffic in the commercial corridors (the avenues which run north and south - opposite direction of the streets).

Unique Design

Design differs from the context of the surrounding community. The building's industrial design intends to distinguish it as a unique architectural typology in stark contrast to the mid-rise urban residential vernacular that dominates most of the Manhattan neighborhood.

Whether in a positive or negative manner, such a contrasting design can change the look and feel of a street or community. A divergent typology can inevitably illicit resistance from local residents. This project's approval will likely require acceptance from the community board, New York City government for its construction and successful operation as a logistics center, a retail hub and a horticultural warehouse.

Community Concerns and Partnerships

In the East Village, the primary concerns of the local community are to preserve and improve the existing character of the built environment. A Local community board voiced their opinions regarding these related issues. Partnerships with groups and organizations vested in the East Village's development will be vital for the success of the proposed distribution center.

Local Retail Viability

Frequent, Consistent Foot Traffic

Preserving Character of Built Environment

Multiple forms of transportation

NYC

NYC PLANNING

greeNYC

East Village Community Coalition

City of New York

The city of New York provides various resources for running businesses in NYC. Especially for small businesses doing business with the city. These include information on the proper process and documentation on starting a business in the city as well as advise for doing business with national and multinational businesses. They also offer tax credits and means which help to reduce operating expenses. This is valuable for overcoming hurdles when operating a business with a unique, complex plan of the proposed mixed-use space. This assistance helps to tie in all the ends of the operation.

NYC Planning

In conjunction with NYC Buildings, this department authorizes building design construction and subsequent use. The focus on zoning, land and building usage, form, size and added character of new buildings on public health and safety as well as their neighborhood impact. Greenhouses within an urban setting, street retail and logistics operations can affect the existing areas flow. Truck, vehicular movement, especially at night, can affect living quality of East Village residents, NYC Planning can help to resolve any issues.

Green NYC

A city initiative designed to make NYC more sustainable. This body can advise and offer support on how to make the new development utilize the natural resources more efficiently. The usage of water and chemicals such as fertilizer for plant growth can raise costs, tax city resources and add to local pollution. Further, Green NYC can help offer alternatives for energy sources and usage changes for the distributions which may operate majority of the day.

East Village Community Groups

The *East Village Community Board* can be vital in acceptance the proposal as well as raising concerns and even promoting and articulating the merits of the new project to the community in general.

East Village Community Coalition

East Village Community Coalition which seeks to maintain the character of the East Village neighborhood in terms of its social, economic make-up. Preserve the current nature of neighborhood in terms of retail diversity, the promote of local, independent retail over chain stores, employment for local residents. Working with them can help to maintain the success of the distribution center in terms of its benefit for the East Village beyond the delivery services.

Retail Market Research

Market Research on the NYC real estate situation shows the different prices for retail in the neighborhoods adjacent to The East Village. Unfortunately, no real market research for the East Village was available. Direct research finding comparable retail properties was necessary to determine pricing for retail spaces.

AVERAGE ASKING RENT PSF – GROUND FLOOR RETAIL

	Fall 19	Spring 19	Fall 18	% Spring 19	% Fall 18
MIDTOWN SOUTH					
Herald Square					
West 34th St (5th Ave - 7th Ave)	$528	$613	$573	-14%	-8%
Flatiron					
5th Ave (14th St - 23rd St)	$348	$400	$393	-13%	-12%
Broadway (14th St - 23rd St)	$377	$372	$378	1%	0%

MEDIAN ASKING RENT PSF – GROUND FLOOR RETAIL

	Fall 19	Spring 19	Fall 18	% Spring 19	% Fall 18
MIDTOWN SOUTH					
Herald Square					
West 34th St (5th Ave - 7th Ave)	$507	$600	$650	-16%	-22%
Flatiron					
5th Ave (14th St - 23rd St)	$325	$400	$418	-19%	-22%
Broadway (14th St - 23rd St)	$388	$375	$350	3%	11%

RANGE OF ASKING RENTS PSF – GROUND FLOOR RETAIL

	Fall 19		Spring 19	Fall 18		% Spring 19	% Fall 18		
MIDTOWN SOUTH									
Herald Square									
West 34th St (5th Ave - 7th Ave)	$400	_	$800	$447	_	$850	$314	_	$750
Flatiron									
5th Ave (14th St - 23rd St)	$300	_	$415	$295	_	$550	$285	_	$511
Broadway (14th St - 23rd St)	$325	_	$425	$325	_	$410	$311	_	$500

Source: Real Estate Board of New York

Retail Comparables

126 E. 4th St.

Retail Leases

	126 E 4th St	54 2nd Ave	324 E 6th St.	192 Orchard St
Location	Manhattan	Manhattan	Manhattan	Manhattan
Neighborhood	East Village	East Village	East Village	Lower East Side
Year Built	1910	1901	1920	1900
SF	560	1355	1300	700
Term	10 Years	5 Years	2024	5 to 10
Per SF/Yr	$ 83.57	$ 137.00	$ 50.30	$ 137.00
Type	Basement	Corner	Streetfront	Streetfront
Condition	Full Build Out	Partial Build-Out	Full Build Out	Full Build Out

Industrial Spaces

Finding available industrial spaces to compare were hard to find in Manhattan. Most industrial properties that were comparable were located the outer boroughs of Brooklyn and Staten Island.

Industrial Spaces

236-276 Greenpoint Ave.

Industrial Leases

	32 Meadow St	4201 1st Ave	758 Humboldt St	236-276 Greenpoint Ave
Location	Brooklyn	Brooklyn	Brooklyn	Brooklyn
Neighborhood	East Williamsburg	Sunset Park	Greenpoint	Greenpoint
Year Built	1903	1907	1931	1931 / 1995
SF	4000	8500	7500	21000
Term	1 to 2 Years	Negotiable	3 to 5 Years	10
Per SF/Yr	$ 32.00	$ 16.00	$ 25.00	$ 23.00
Area type	Industrial Area	Industrial Area	Industrial Area	Industrial Area

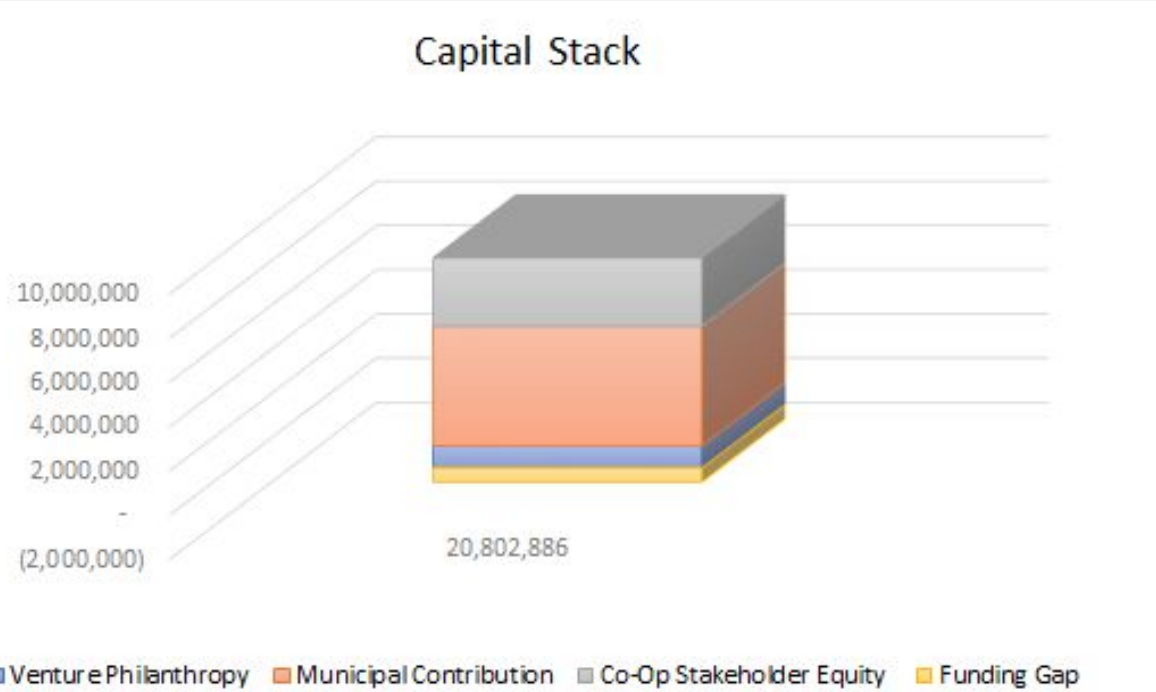
Community-Oriented Retail

- Small Package Shipping Center
- Cafe
- Package Lockers
- Grocer for Produce Sales

Ownership Structure

While funding will come from municipal and private sources, this project will employ crows-funding.

We anticipate the largest equity stake to come from co-operative shares.



Sources of Funds		Total		$ / Unit	$ / GSF		Total
Bank Loan		20,802,886		$1,485,920	$367		70.11%
Social Impact Bond or Venture Philanthropy		1,000,000		$71,429	$18		3.37%
				$0	$0		0.00%
City/County (Land Acquisition Grant)*		5,400,000		$385,714	$95		18.20%
Co-Op Stakeholder Equity	10.0%	3,091,932		$220,852	$55		10.42%
Funding gap		(624,502)		($44,607)	($11)		-2.10%
Total Sources		**29,670,317**		**$2,119,308**	**$523**		**100.00%**

Financial Feasibility

Key Assumptions:

- $300/SF Land Acquisition Costs
- $450/SF Total construction costs
- 8% Vacancy at stabilization
- Building Efficiency of 65%
- Equal inflation of expenses and revenues (2%)

Key Metrics:

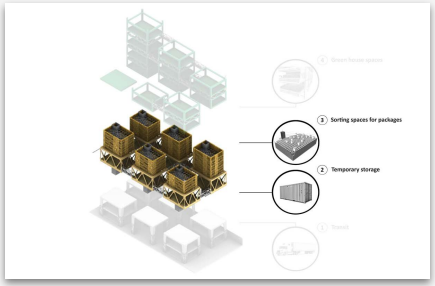
- Healthy DSCR
- Modest returns
    - Public Project, so returns are also positive externalities

Neighborhood Level Distribution Center

Site Specifics	
Site Size	18,000
Vacancy	8%
Total Leasable Area	42,000
Total Building	56,700
Cap Rate	5.0%
Discount Rate	8%
Hold Period	30
Equity percentage	
inflation rate expenses	2%
Inflation rate income	2%
Efficiency Ratio	65%
Construction period	18 Months

	Per GSF	Total
Land Acquisition	$ 300	$ 5,400,000
Construction Hard Costs	$ 380	$ 21,542,713
Soft Costs	$ 70	$ 3,976,608
Total Development Cost		**$30,919,320**
DSCR Year 1		1.19
IRR		17%
ROE		8.52%
Value at Sale year 20		$ 38,549,268

Revenue Streams

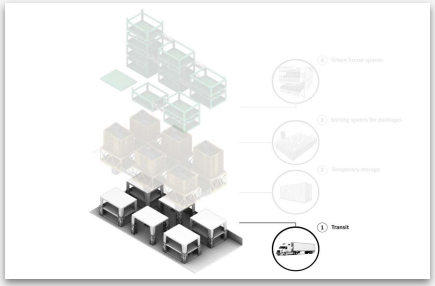


1) Logistics

Six Tenants

Base Rent - $5/SF

Overage: $2 Per package over 30k/mo.

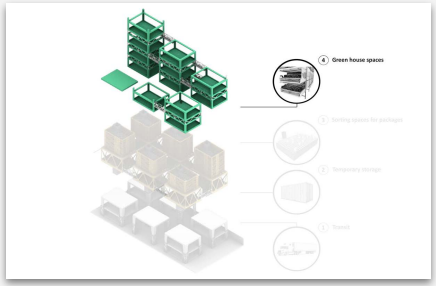


2) Community Retail

Cafe / Mailroom / Grocer

Base Rent - $3.50/SF

Overage - Based on Revenues (excludes grocer)



3) Greenhouse

Six silos

Base Rent - $3/SF

Overage - Based on Revenues

4) Lockers

Four size options

Subscription model

Revenue Streams Continued

Overages:

Logistics Tenants: Every package over 30k / mo. is $2

Greenhouse & Retail Tenants: Assumes Revenues equal to 4X base rent. Overage is 30% of revenues above that base.

Unit Type	Total Units	Base Rent		Overage		
	SF			Packages	$1 / >1000	
		Monthly	Annual		Monthly	Annual
		$ 5.00	$ 60.00	$ 2.00		
Logistics One	2,400	$ 12,000	$ 144,000	35,000	$ 10,000	$ 120,000
Logistics Two	2,400	$ 12,000	$ 144,000	33,000	$ 6,000	$ 72,000
Logistics Three	2,400	$ 12,000	$ 144,000	31,000	$ 2,000	$ 24,000
Logistics Four	2,400	$ 12,000	$ 144,000	45,000	$ 30,000	$ 360,000
Logisitcs Five	2,400	$ 12,000	$ 144,000	32,500	$ 5,000	$ 60,000
Logistics Six	2,400	$ 12,000	$ 144,000	50,000	$ 40,000	$ 480,000
Total	14400	$ 72,005	$ 864,060	226,500	$ 93,000	$ 1,116,000

				Base Revenue	Actual Revenue	Overage	
				25%		30%	
		$ 3.00		Monthly			Annual
Greenhouse Two	1,200	$ 3,600	$ 43,200	$ 14,400	$ 18,720	$ 1,296	$ 15,552
Greenhouse Three	2,400	$ 7,200	$ 86,400	$ 28,800	$ 37,440	$ 2,592	$ 31,104
Greenhouse Four	3,600	$ 10,800	$ 129,600	$ 43,200	$ 56,160	$ 3,888	$ 46,656
Greenhouse Five	4,800	$ 14,400	$ 172,800	$ 57,600	$ 74,880	$ 5,184	$ 62,208
Greenhouse Six	6,000	$ 18,000	$ 216,000	$ 72,000	$ 93,600	$ 6,480	$ 77,760
Total	18,000	$ 54,000	$ 648,000	$ 216,000	$ 280,800	$ 19,440	$ 233,280
		$ 3.50					
Shipping	4,800	$ 16,800	$ 201,600	$ 67,200	$ 87,360	$ 6,048	$ 72,576
Café	2,400	$ 8,400	$ 100,800	$ 33,600	$ 43,680	$ 3,024	$ 36,288
Vegetable Grocer	2,400	$ 8,400	$ 100,800	$ -	$ -	$ -	$ -
Total	9600	$ 33,600	$ 403,200	$ 100,800	$ 131,040	$ 9,072	$ 108,864

Lockers	Units	Monthly	Annual
LetterBox	250	$ 998	$ 11,970
$ 3.99			
12"x12"x12"	500	$ 3,995	$ 47,940
$ 7.99			
18"x18"x18"	500	$ 7,495	$ 89,940
$ 14.99			
24"x24"x24"	250	$ 4,998	$ 59,970
$ 19.99			
Total	1500	$ 17,485	$ 209,820
	42,000		

Total	**$ 3,583,224**
Base Rents	$ 1,915,260
Overages	$ 1,458,144
Lockers	$ 209,820

Loan Analysis

Construction / Permanent Loan Analysis

Underwriting Criteria

Debt Service Coverage Ratio	1.20
Interest Rate	3.25%
Amortization	30
Maximum Loan to Value	80%
Term (years)	30

Project Loan to Value (Income Capitalization Method)

Project Value @ Cap F	5.0%	$ 26,074,217
Project Loan to Value Ratio		80%
LTV Projected Permanent Loan		**20,859,374**

Construction / Permanent Loan Underwriting Criteria:

Net Operating Income	$ 1,303,711
Available funds for debt service	$ 1,086,426
Maximum Loan Amount (derived f	**$ 20,802,886**

Construction / Permanent Projected Project Loan

Loan-to-Value Method	$ 20,859,374
Debt Coverage Ratio Method	$ 20,802,886
Projected Project Loan (Lesser of figures	**$ 20,802,886**
Annual Debt Service	$ (1,095,932)

Loan Amortization (Annual)

Period	Payment	Interest	Principal	Loan Balance
				$ 20,802,886
1	$ (1,095,932)	$ (676,094)	$ (419,838)	$ 20,383,048
2	$ (1,095,932)	$ (662,449)	$ (433,483)	$ 19,949,566
3	$ (1,095,932)	$ (648,361)	$ (447,571)	$ 19,501,995
4	$ (1,095,932)	$ (633,815)	$ (462,117)	$ 19,039,878
5	$ (1,095,932)	$ (618,796)	$ (477,136)	$ 18,562,742
6	$ (1,095,932)	$ (603,289)	$ (492,643)	$ 18,070,100
7	$ (1,095,932)	$ (587,278)	$ (508,654)	$ 17,561,446
8	$ (1,095,932)	$ (570,747)	$ (525,185)	$ 17,036,261
9	$ (1,095,932)	$ (553,678)	$ (542,253)	$ 16,494,008
10	$ (1,095,932)	$ (536,055)	$ (559,877)	$ 15,934,131
11	$ (1,095,932)	$ (517,859)	$ (578,073)	$ 15,356,059
12	$ (1,095,932)	$ (499,072)	$ (596,860)	$ 14,759,199
13	$ (1,095,932)	$ (479,674)	$ (616,258)	$ 14,142,941
14	$ (1,095,932)	$ (459,646)	$ (636,286)	$ 13,506,655
15	$ (1,095,932)	$ (438,966)	$ (656,965)	$ 12,849,690
16	$ (1,095,932)	$ (417,615)	$ (678,317)	$ 12,171,373
17	$ (1,095,932)	$ (395,570)	$ (700,362)	$ 11,471,011
18	$ (1,095,932)	$ (372,808)	$ (723,124)	$ 10,747,887
19	$ (1,095,932)	$ (349,306)	$ (746,625)	$ 10,001,261
20	$ (1,095,932)	$ (325,041)	$ (770,891)	$ 9,230,370
21	$ (1,095,932)	$ (299,987)	$ (795,945)	$ 8,434,426
22	$ (1,095,932)	$ (274,119)	$ (821,813)	$ 7,612,613
23	$ (1,095,932)	$ (247,410)	$ (848,522)	$ 6,764,091
24	$ (1,095,932)	$ (219,833)	$ (876,099)	$ 5,887,992
25	$ (1,095,932)	$ (191,360)	$ (904,572)	$ 4,983,420
26	$ (1,095,932)	$ (161,961)	$ (933,971)	$ 4,049,449
27	$ (1,095,932)	$ (131,607)	$ (964,325)	$ 3,085,125
28	$ (1,095,932)	$ (100,267)	$ (995,665)	$ 2,089,459
29	$ (1,095,932)	$ (67,907)	$ (1,028,024)	$ 1,061,435
30	$ (1,095,932)	$ (34,497)	$ (1,061,435)	$ (0)

Operating Expenses

- Largest expense: Package Delivery
  - Cost estimate is calculated on a per packages basis
- We hope to receive an OpEx Subsidy: Workforce Development grant
- Negotiate PILOT w/ City - taxes prohibitively expensive for this project
- All leases are assumed *NNN*
- Large Security Budget - Logistics Center in Urban Core could attract bad actors

OpEx Continued

Annual Operating Budget

	Amount	Multiplier	Total	Expenses / GSF
Administrative & Operations				
Accounting/Auditing	2%	Revenue	$71,664	$ 1.26
Marketing	$20,000	1	$20,000	$ 0.35
Office Overhead and Supplies	$20,000	1	$20,000	$ 0.35
Administrative Payroll/Payroll Taxes	2%	Revenue	$71,664	$ 1.26
Legal Fees	2%	Revenue	$71,664	$ 1.26
Other Professional Fees	$10,000	1	$10,000	$ 0.18
Compliance Monitoring	1%	Revenue	$35,832	$ 0.63
Security	$100,000	1	$100,000	$ 1.76
Delivery and Sorting	$1.00	Packages	$2,718,000	$ 47.94
Total Administrative			*$3,118,826*	*95.85*
Management Fee	6.0%		$187,130	5.75
Utilities (for non green building, if green give specifics)		**Tenants**		
Electricity	$120,000	14	$1,680,000	$ 29.63
Gas	$50,000	14	$700,000	$ 12.35
Water/Sewer	$120,000	14	$1,680,000	$ 29.63
Internet	$6,000	14	$84,000	$ 1.48
Trash	$60,000	14	$840,000	$ 14.81
Total Utilities			*$4,984,000*	*153.17*
Repairs and Maintenance				-
Repairs Materials and Contracts	$3	SF	$170,100	$ 3.00
Maintenance Supplies	$1	SF	$56,700	$ 1.00
Maintenance Salaries/Payroll Taxes	$2	SF	$113,400	$ 2.00
Painting and Decorating	$1	SF	$56,700	$ 1.00
Exterminating	$1	SF	$56,700	$ 1.00
Grounds & Snow Removal	$0	SF	$0	$ -
HVAC Maintenance	$7	SF	$102,900	$ 1.81
Elevator Maintenance	$50,000	$1	$50,000	$ 0.88
Trash Removal	$5,000	$1	$5,000	$ 0.09
Total Repairs and Maintenance			*$611,500*	*18.79*
Fixed Expenses		*Class 4*		-
Real Estate Taxes	$3,100,010	10.574%	$3,100,010	95.27
PILOT	$500,000		$500,000	15.37
Building Services	$0			-
Ground Lease Payment	$0			-
Insurance	$180,000		$180,000	5.53
Total Fixed Expenses			*$3,780,010*	*116.17*
Total Operating Expenses			*$8,901,455*	*273.57*
Replacement Reserves	$0		$113,400	*3.49*
Total Operating Expenses and Reserves			***$9,581,455***	***294.47***

Proforma

INCOME										
Commercial Income										
Rental Income	2.0%			3,373,404	3,440,872	3,509,690	3,579,883	3,651,481	3,724,511	3,799,001	3,874,981
Locker Income	2.0%			209,820	214,016	218,297	222,663	227,116	231,658	236,291	241,017
Less: Vacancy Allowance			8.0%	(286,658)	(292,391)	(298,239)	(304,204)	(310,288)	(316,494)	(322,823)	(329,280)
Residential Effective Gross Income				*3,296,566*	*3,362,497*	*3,429,747*	*3,498,342*	*3,568,309*	*3,639,675*	*3,712,469*	*3,786,718*
Total Effective Gross Income				**3,296,566**	**3,362,497**	**3,429,747**	**3,498,342**	**3,568,309**	**3,639,675**	**3,712,469**	**3,786,718**
EXPENSES										
Commercial Expenses *										
Commercial Operating Expenses	2.0%	-	per sq.ft./yr	$9,581,455	9,773,084	9,968,546	10,167,917	10,371,275	10,578,701	10,790,275	11,006,080
Commercial Replacement Reserves	1.0%	*2.00*	*per sq.ft./yr*	113,400	114,534	115,679	116,836	118,004	119,185	120,376	121,580
NNN Reimburseent	2.0%			4,984,000	5,083,680	5,185,354	5,289,061	5,394,842	5,502,739	5,612,793	5,725,049
Workforce Dev.				2,718,000	2,772,360	2,827,807	2,884,363	2,942,051	3,000,892	3,060,909	3,122,128
Total Commercial Expenses				*1,992,855*	*2,031,578*	*2,071,065*	*2,111,329*	*2,152,387*	*2,194,255*	*2,236,948*	*2,280,483*
Total Expenses				**(1,992,855)**	**(2,031,578)**	**(2,071,065)**	**(2,111,329)**	**(2,152,387)**	**(2,194,255)**	**(2,236,948)**	**(2,280,483)**
Net Operating Income			**$**	**1,303,711**	**1,330,919**	**1,358,683**	**1,387,013**	**1,415,922**	**1,445,420**	**1,475,521**	**1,506,235**
First Mortgage Debt Service	Term	Rate	3.25%	$ 1,095,932	$ 1,095,932	$ 1,095,932	$ 1,095,932	$ 1,095,932	$ 1,095,932	$ 1,095,932	$ 1,095,932
Venture Philanthropy	30	2%	Low-Interest Loan	$ 44,354	$ 44,354	$ 44,354	$ 44,354	$ 44,354	$ 44,354	$ 44,354	$ 44,354
Workforce Development Grant	30	0%	Grant	$2,718,000	$2,772,360	$2,827,807	$2,884,363	$2,942,051	$3,000,892	$3,060,909	$3,122,128
Cash Flow after First Mortgage Debt Service			**$ (1,917,064)**	**$163,425**	**$190,633**	**$218,397**	**$246,727**	**$275,636**	**$305,134**	**$335,234**	**$365,949**

DSC on First Mortgage		1.19	1.21	1.24	1.27	1.29	1.32	1.35	1.37
IRR	17%								
Oustanding Deferred Developer Fee / Equity		4,181,859	3,991,226	3,772,830	3,526,102	3,250,467	2,945,333	2,610,098	2,244,150
Return on Cost		36.4%	37.1%	37.9%	38.7%	39.5%	40.3%	41.2%	42.0%
Return on Equity	8.52%	9%	10%	11%	13%	14%	16%	17%	19%
Discounted Casflow Value (15 years)	$ 4,143,008								
Cap Rate Value	$ 3,268,494								
Insert your calculated cap rate here	*5.0%*								
Value at Sale year 20	*$ 38,549,268*								

* Assumes triple net lease for commercial space, a lease in which the lessee pays rent to the lessor, as well as all taxes, insurance, and Common Area Maintenance (CAM) expenses that arise from the use of the property.