

100 North Church Street Development

Solicitation for Development Partners

Mooresville, NC

February 2017



Executive Summary

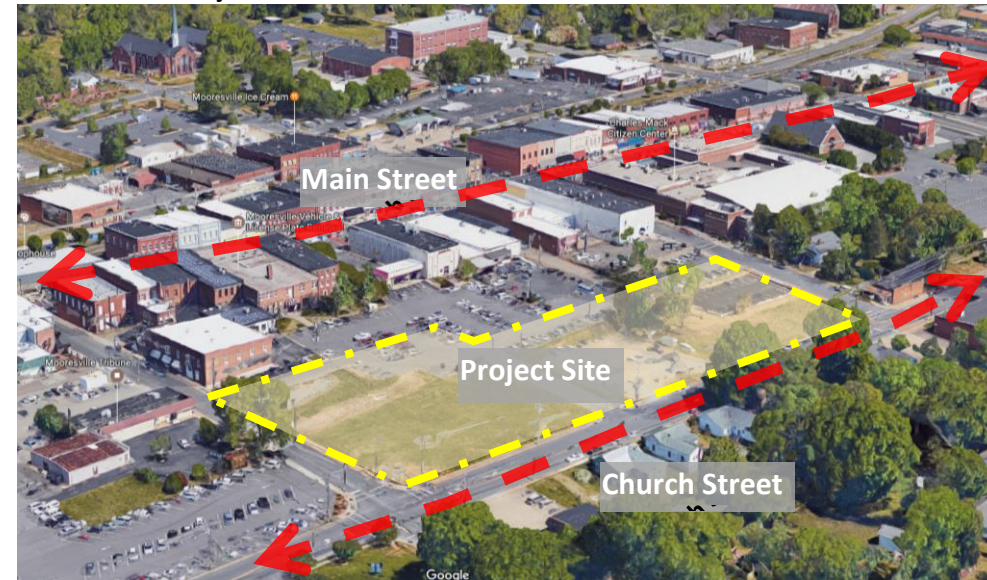
The Town of Mooresville, North Carolina is committed to attracting private investment to a key opportunity block in its vibrant downtown core. The Town has recently purchased 1.2 acres of land on Church Street to create a contiguous, town-owned 2.7-acre block ready for redevelopment. The Town of Mooresville engaged the UNC School of Government’s Development Finance Initiative (DFI) to conduct a development study of this site for private investment. The Town is seeking a development partner to redevelop the 2.7-acre block.

The project includes the construction of a parking deck on the site and the Town is committed to providing public funds for the parking deck. DFI worked with the architecture firm, Built Form Architecture Studios, out of Chicago, IL, that designed the conceptual plan and program:

	<i>GSF</i>	<i>LSF</i>	<i>Units/Spaces</i>
<i>Residential</i>	210,000	151,000	204
<i>Retail</i>	15,000	15,000	-
<i>Parking</i>	157,000	157,000	414
<i>Total</i>	382,000	324,000	

For information concerning the procedure for responding to this Solicitation for Development Partners or clarifications of the terms, conditions, and requirements of this SDP, please e-mail Eric Thomas, Project Manager, DFI, at ethomas@sog.unc.edu.

Aerial View of Project Site on Church Street



Source: Google Maps

Estimated Project Development Timeline

Development Partner Proposals Due	June 2, 2017
Board Selection of Partner	July 2017
Memorandum of Understanding	August 2017
Development Agreement	October 2017
Schematic Design	September 2017
Design Development	October 2017
Construction Drawings	January 2018
Public Entitlements	February 2018
Financing	June 2018
Construction to Begin	June 2018

Introduction

The Town of Mooresville, North Carolina is committed to enhancing its downtown with critical investments in parking and public open space. Main Street of Mooresville features historic storefronts filled with restaurants, taprooms, boutique shops, and galleries. With recent streetscape improvements, a weekly farmer's market, and a planned redevelopment of Liberty Park, Mooresville's downtown is an attractive destination that is ripe for opportunity particularly along Church Street, which runs one block parallel to Main Street. The Town has recently purchased 1.2 acres of land on Church Street to create a contiguous, Town-owned 2.7-acre block that will be a prominent showcase of Mooresville's commitment to mixed-use development, increased pedestrian connectivity, and creative parking solutions.

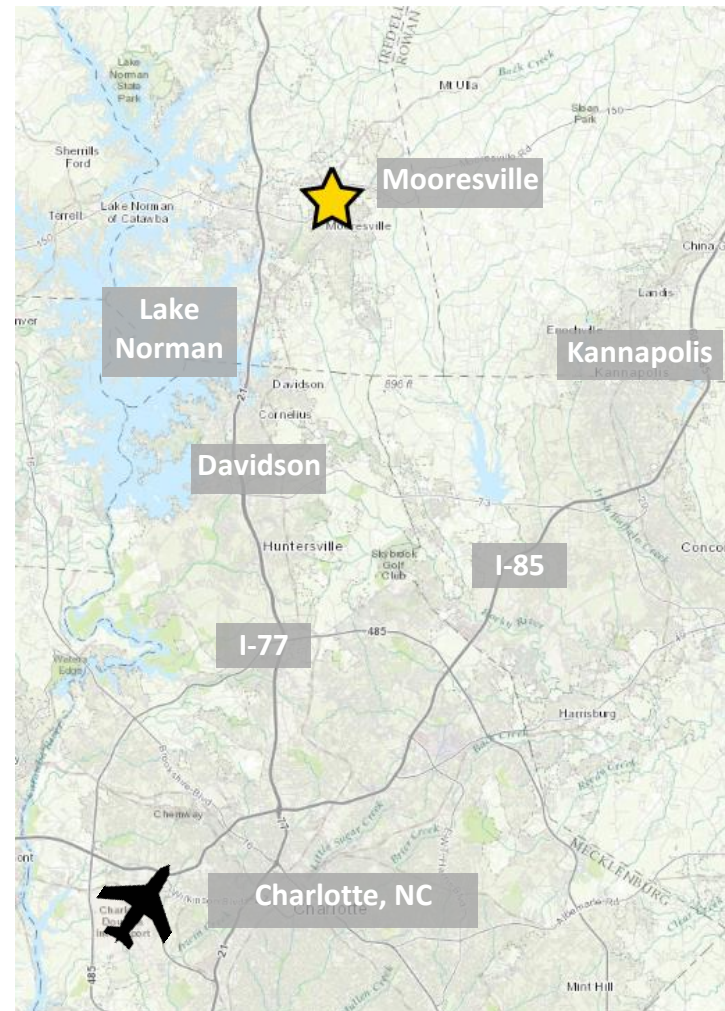


Source: Sweet Home Carolina Realty

The Development Finance Initiative (DFI) has been engaged with the Town over the past year conducting the feasibility study of this 2.7-acre site in downtown Mooresville. Built Form Architecture Studios, out of Chicago, IL, performed the site analysis and prepared the conceptual layout of the development program. The Town Board of Commissioners vetted the densities, program mix and current design layout.

The Town of Mooresville is a growing community located 30 minutes north of Charlotte and is on Lake Norman with over 500

miles of shoreline. Interstate I-77 between Mooresville and Charlotte has an annual average daily traffic rate of 100,000 making it one of the most highly trafficked routes in North Carolina. Mooresville, also known as Race Town, USA is home to the NASCAR Technical Institute and Lowe's Corporate Headquarters.



Source: ESRI Business Analyst Online

The 100 North Church Street Project

The Town is seeking a private development partner to undertake a catalytic residential and retail, mixed-use project located in Mooresville's downtown core. The project includes the construction of a parking deck on the site and the Town is committed to providing public funds for the parking deck.

This mixed-use project is just one part of the Town of Mooresville's redevelopment strategy for the Church Street corridor that will ultimately remake this portion of downtown into a hub of residence, recreation and food based retail.

This project site, located between the vibrant Main Street, the Charles Mack Citizen Center and Liberty Park, will serve as the central piece between these downtown assets. The project site is located ½ a block from the vibrant Main Street of Mooresville, is adjacent to the Charles Citizen Mack Center, a 60,000 square foot space Conference Center that accommodates events up to 600 guests. Additionally, Liberty Park, located on Church Street, is undergoing significant renovation plans to transform it from its current conditions into a destination park with amphitheater and public outdoor event spaces.

DFI has assessed this site for its potential as a private real estate development and is now assisting the Town in identifying potential development partners for the 100 North Church Street project. Furthermore, as part of our engagement with the Town, DFI has worked with the town to structure the public-private partnership that clearly indicates the roles and responsibilities of the private developer, DFI, and the Town in executing a successful project. The details of the development

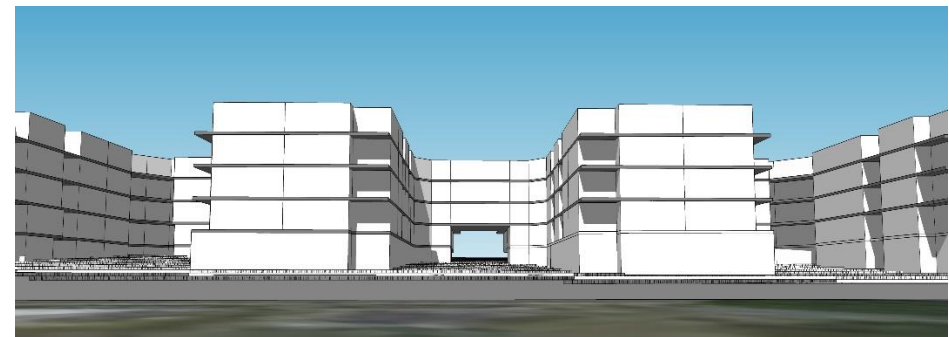
plan and public-private partnership structure are laid out in this document.

Qualified development teams are invited to respond to the following Solicitation for Development Partners. The successful team will execute a development services agreement with the Town; finalize the development program; and design, finance, construct, own and operate a mixed-use project.

Green spaces preventing the project from becoming a mega-block while also providing pedestrian access between Church and Main Streets



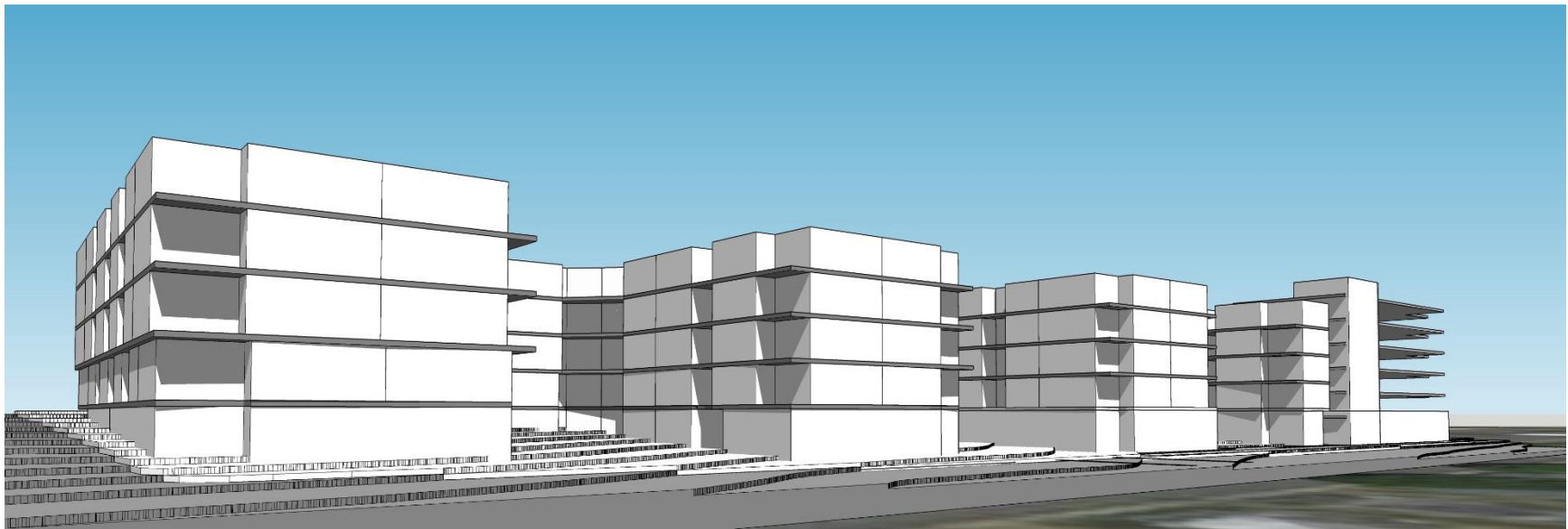
Source: Built Form Architecture



Source: Built Form Architecture

About This Solicitation

This document is an invitation for interested development teams to present development concepts for review and consideration by the Town's development consultant, DFI, which will assist development teams with understanding and responding to the Town's requirements for the development of the 100 North Church Street project. Once DFI and Town staff have reviewed all proposals, they will be presented to Board of Commissioners with a recommendation for endorsement. An endorsement by the Board is not final approval, but it will trigger an exclusive period of negotiation between the Town and developer for a development services agreement for a downtown development project pursuant to North Carolina General Statute 160A-458.3.



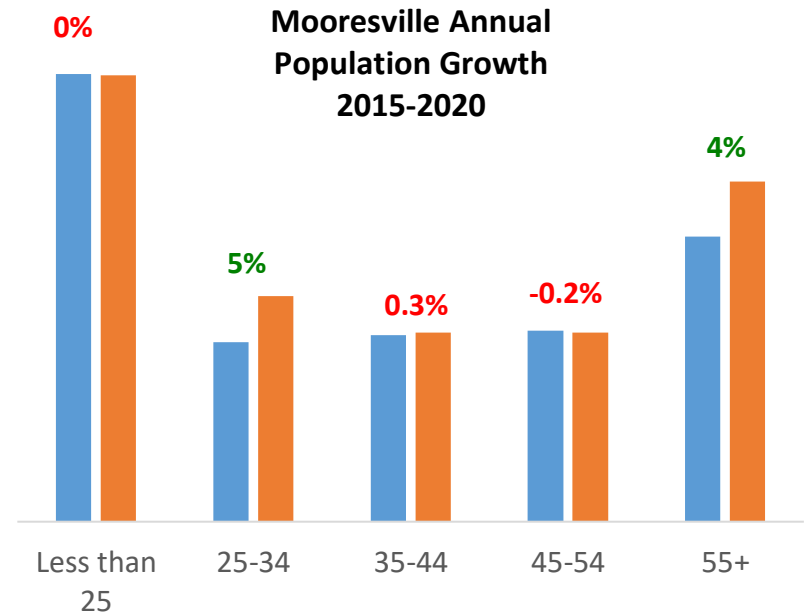
Perspective Rendering of Development from Church Street, Source: Built Form Architecture

Market Overview

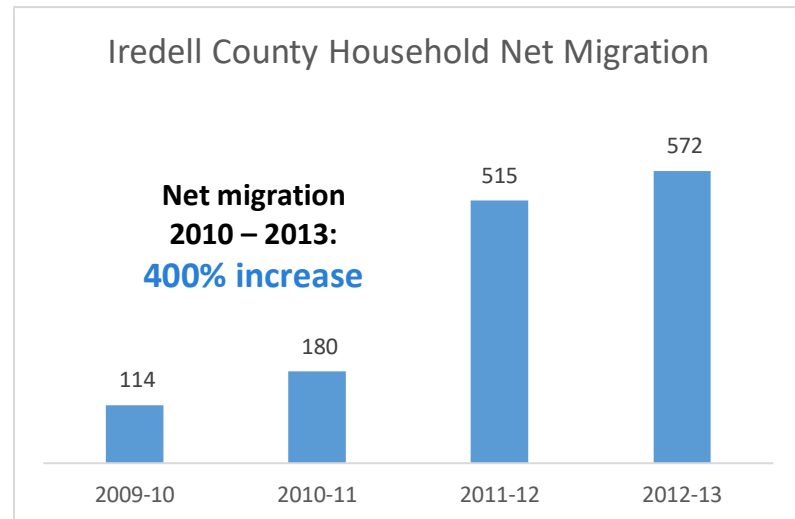
Mooresville has experienced significant recent growth and is projected to outpace several of the surrounding communities of the region. In the past decade, Mooresville’s population grew by 74% to 35,000 over the last decade and is expected to double in the next 20 years. Manufacturing has been a major boon to the economy particularly, advanced manufacturing with companies building and leasing facilities specializing in areas from automotive and aerospace technologies to security solutions.

Downtown Compatible Market Use	Trade Area	Projection	Capture Rate	Downtown Projection
Residential	Zip Codes 28115 + 28177	1,000 Multi-Family Units	33%	210 to 365 Multi-Family Units
Retail	6-minute drive-time	25,000 SF	70 – 100%	18,000 to 25,000 SF
Office	10-minute drive-time	90,000 SF	16% - 30%	15,000 to 25,000 SF

The major drivers to the site include the Charles Mack Citizen Center, Mitchell Community College, Main St., and the Farmers Market. In addition to steady population, income, and household growth across the market areas, the key demographic groups 25-34 and +55 that would be targeted for a downtown mixed-use project are the fastest growing groups in the residential trade area.



Source: ESRI Business Analyst Online



Development Site

The site is 2.7-acre, 1-block collection of parcels in downtown Mooresville between Center, Moore, Main, and Church Streets. The project site is located ½ a block from the vibrant Main Street of Mooresville, which includes the Charles Citizen Mack Center, a 60,000 square foot space Conference Center that accommodates events up to 600 guests. Additionally, Liberty Park, located on Church Street, is undergoing significant renovation plans for a destination park with amphitheater and public outdoor event spaces.

The site is located in the Historic District and is part of the long history and intended to retain a similar architectural fabric that dates back to the 1850s. The site is zoned as “Downtown - Town Center (D – TC)” by the Town’s Comprehensive Land Use Plan that is described as a “prime location for adaptive reuse, renovation, and infill development.” The site is also in the primary fire district.

One of the guiding principles of this project is to strengthen the connection between Church Street and Main Street and establish a larger downtown core.

The parking deck is located on the northeastern portion of the site along Moore and Church Street. The parking deck will serve as the primary parking not only for the private development onsite, but is sized to accommodate spaces for events at the Mack Center, Liberty Park, and for downtown patrons.

Aerial shot of development parcels



Source: NC OneMap Orthoimagery

Project Development

As part of Church Street Redevelopment, DFI identified that this project could build momentum for downtown, attract investment for future projects, and best demonstrate the Town's commitment to creating public-private partnership in enhancing Mooresville' downtown core. In the interest of demonstrating early success with the plans, the Town seeks a proposal with an expedited timeline in which the project will be starting construction by Summer 2018.

Predevelopment Work Completed to Date

DFI performed a five-part assessment to arrive at the recommended redevelopment program, including:

- **Market Assessment:** studying the supply and demand for potential private uses, including residential, office, retail, hotel, and parking. A summary of the findings from this assessment is available upon request.
- **Site Assessment:** studying the physical constraints of the site to determine the density, orientation, and potential massing limitations. The massing of the public and private facilities on the site have been laid out in conceptual drawings, including elevations and floor plans.
- **Public Interests:** engaging with the various stakeholders who are interested in the development of the site, including surrounding business and property owners, residents, downtown office workers, and Town staff/elected officials.
- **Financial Feasibility:** modeling the development costs and projected cash flows of the public and private facilities to ensure the viability of the project for private investors.

- **Public Investment:** identifying possible public-private partnerships to make the project work

Estimated Project Development Timeline

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Board Selection of Partner	July 2017
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Development Program

DFI and the Town have worked through multiple iterations of the project with Built Form, LLC, to arrive at a development program that captures the highest and best use of the project site, while achieving the desired downtown revitalization objectives of the Town. The project includes retail/office space along Church Street with residential units on all four floors with five floors of parking.

The site features an 11-foot grade change with the slope moving down towards Church Street. The program features at-grade entrances on the north and south sides of the development. The plans on the right were designed by Built Form Architecture. Larger images of the development can be found in the Appendix.

	<i>GSF</i>	<i>LSF</i>	<i>Units/Spaces</i>
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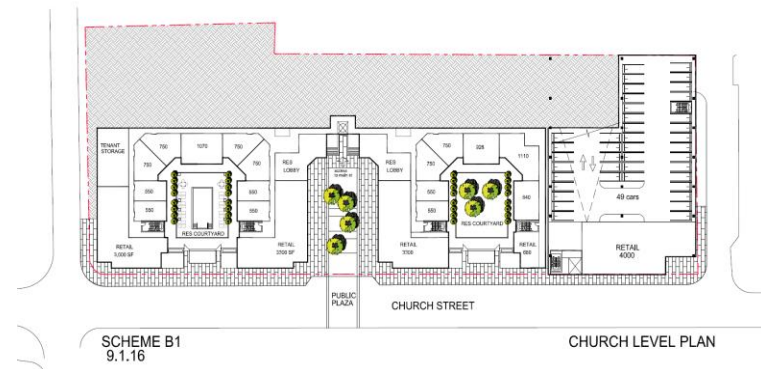
Unit Mix and Rents

Rents will be determined by the owner and manager of the project; however, DFI has conducted market studies and comparable properties analyses that support the following residential rents:

	<i>Units</i>	<i>Unit Size (Avg.)</i>	<i>Rent PSF (Avg.)</i>	<i>Monthly Rent (Avg.)</i>
<i>Studio</i>	48	558 SF	\$1.65	\$920
<i>1 Bedroom</i>	108	735 SF	\$1.61	\$1,185
<i>2 Bedroom</i>	48	932 SF	\$1.54	\$1,440
<i>Total</i>	204	740 SF	\$1.60	\$1,180

In addition, annual retail/office rents of \$20 PSF are supported by the market.

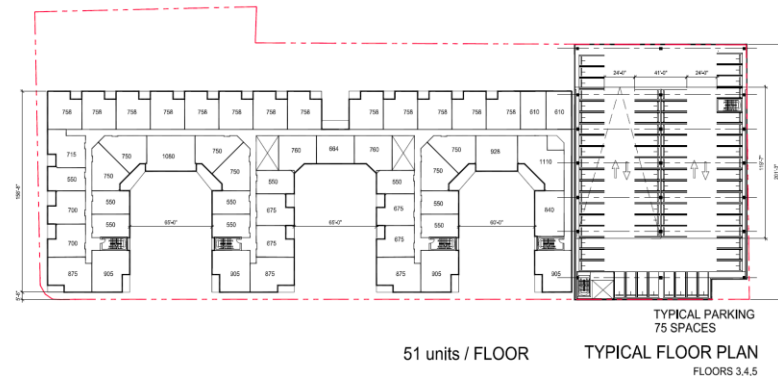
Lower Grade Plan



Upper Grade Plan



Floors 3, 4, and 5



Project Costs and Returns

DFI estimates total development costs of this project at nearly \$43 million, including acquisition, parking deck, and a 4% developer fee. The parking deck figure below includes hard and soft costs.

Acquisition:	\$1,574,000
Residential + Retail Hard Costs:	\$27,164,000
Residential + Retail Soft Costs:	\$6,015,000
Parking Deck:	\$8,115,000
Total Costs:	\$42,868,000

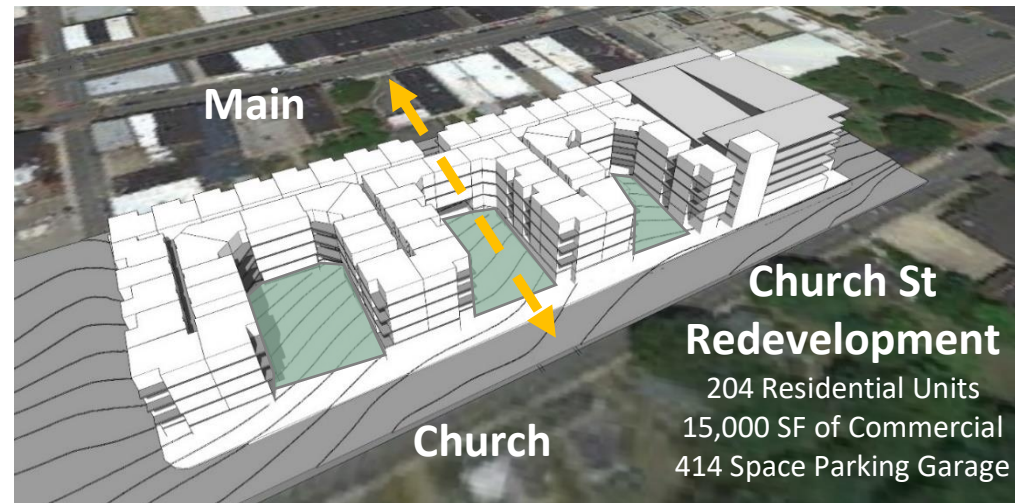
Projected Returns

Using the above program and rent numbers, DFI has modelled the project to determine overall feasibility and returns for the Developer and Equity Investor(s).

DFI estimates that the developer of this project can achieve market rate returns.

Public Private Partnership

The Town is committed to working with a private developer in a public private partnership in which the Town is committed to providing public funds for the parking deck.



Submission Requirements

Developers shall organize their proposals in the format described below. Please submit the requested information in appropriate detail to allow adequate review and evaluation of qualifications and plans. For confidentiality purposes, please send any financial information your team would like to remain confidential under a separate cover (see below Submission Procedures).

1. Letter of Introduction

Include a summary of the respondent's basic qualifications, experience, and reasons for interest in this opportunity. The letter should be signed by a principal or authorized officer for the entity.

2. Proposal

Program for site, including the mix and scale of uses, as follows:

- Residential (number of units, average unit size, total gross square footage, tenancy [rental vs. ownership], amenity package)
- Retail (total gross square footage, target tenancy by square footage)
- Parking (number of public spaces and number of private spaces)
- Other proposed use

Design:

- Illustrative sketches, including the following perspectives
 1. As if standing on east sidewalk of Church Street at the corner of Moore and Church Streets
 2. As if standing on east sidewalk of Church Street at the corner of Center Avenue and Church Street
 3. From Main and E Moore Streets looking towards Church Street
 4. From Main and E Center Ave looking towards Church Street

Technical Drawings

- Detail of Church Street retail/office design
- Ground floor plan, including entries into parking garage, Church Street, Moore and/or Center Avenue
- Church Street, Moore Street, Main Street, Center Avenue elevations

If you would like to work with Built Form, LLC, and make modifications to the plans and program provided, please contact Robert Bistry at bbistry@built-form.net.

Development Assumptions

- Agreement to offer price for land
- Total development costs for project, by use
- Expected fee on-site infrastructure, development of parking deck, and off-site infrastructure to connect project to public realm
- Expected rents for residential, retail, and other private uses
- Expected Town contribution

Financing Assumptions:

- Expected amounts and sources of debt and equity
- Identification of lead development company, including name, address, e-mail, and telephone number.

3. Development Team

- Identification of partner firms and roles, including co-developers, architects/designers, and general contractor.
- Overview for each firm on the team, including brief history of firm, past experience working with the developer, and relationship of the firm's parent company with the office responsible for this project, if applicable.
- Identification and resumes of lead staff (principal and project manager) that will be responsible for negotiating a development agreement with the Town and completing the remainder of the preconstruction approval process. Describe
Mooresville NC: Downtown Development Opportunity 11

the current workload of these lead staff in terms of location and status of projects.

- Description of key staff from partner firms, including proposed role and prior experience with similar projects.

4. Experience and References

- Provide relevant development experience, particularly in developing mixed-use projects with public agencies. Provide information on at least three projects and no more than five. Each comparable development should detail the following information listed below:
- Location and name of project
- Scope and scale of development program (including residential uses, commercial uses, public uses, and infrastructure improvements, if applicable)
- Photos/illustrations of completed project
- Total development budget by use
- Amounts and sources of debt and equity funds used to finance the project, including governmental sources. Please provide a point of contact for each capital provider for the project.
- Contact information for a representative of the primary public agency partner in the project
- Developer's role in and ownership for each project (e.g., fee developer, equity investor, and/or property manager)

5. Financial Capacity

Provide evidence of sufficient financial strength to undertake and successfully complete a project of this scale. Please also identify any projects/financing on which the team collectively or individually has defaulted

6. Disclosures

- Disclosure of any potential conflicts of interest that could be relevant to this project in any manner
- Disclosure of whether the developer or any officer, director, or owner thereof has had judgments entered against him or her within the past 10 years for the breach of contracts for governmental or nongovernmental construction or development
- Disclosure of whether the developer has been in substantial noncompliance with the terms and conditions of prior construction contracts with a public body without good cause
- Disclosure of whether any officer, director, owner, project manager, procurement manager, or chief financial official thereof has been convicted within the past 10 years of a crime related to financial fraud or to governmental or nongovernmental construction or contracting
- Disclosure of whether any officer, director, or owner is currently debarred pursuant to an established debarment procedure from bidding or contracting by any public body, agency of another state, or agency of the federal government

Evaluation Criteria

The evaluation of developers responding to this solicitation will be undertaken in order to select a partner and plan that is viable, will best serve public interests, and can be completed in a reasonable time frame. The following evaluation criteria will be used to make that selection:

- Qualifications and experience of the development team, with preference given for experience with mixed-use development (specifically the mix of uses in respondent's plan for the site) and public-private partnerships
- Quality of the proposed building design and its fit with the surrounding urban fabric
- Demonstrated ability to secure funding to execute a project of similar scale and complexity in a reasonable timeframe
- Financial benefits to Town from the proposed project
- Structure of proposed public private partnership
- List of active development projects and demonstration of current capacity to execute quickly

Submission Process and Timeline

Development Partner proposals are due at 5:00 p.m. EDT on June 2, 2017. Proposals should be submitted electronically in PDF format to ethomas@sog.unc.edu. Proposals must be prepared in conformance with the guidelines described under “Submission Requirements.” The e-mail subject must be “Development Partner Proposal: Mooresville, NC.” Proposals received after the deadline will not be considered.

All responses are subject to public disclosure under the North Carolina Public Records Law. DFI recognizes that respondents must submit financial information that it may deem confidential and proprietary in order to comply with the requirements of this solicitation. To the extent permissible by law, DFI agrees to keep confidential any confidential proprietary information included in a response, provided that (1) the respondent identifies the confidential proprietary portions of the response, (2) the respondent identifies as confidential and proprietary only those portions of the submittal that actually are confidential and proprietary, and (3) the respondent states why protection is necessary. Respondents shall not designate their entire response as confidential and proprietary, nor shall they so designate information that is already public.

Any information that the respondent would like to remain confidential should be e-mailed under separate cover to ethomas@sog.unc.edu. The e-mail subject must be “PROTECTED: Development Partner Proposal: Mooresville, NC.”

Submission Procedure

For information concerning the procedure for responding to this Solicitation for Development Partners or clarifications of the terms, conditions, and requirements of this SDP, please e-mail Eric Thomas, Project Manager, DFI, at ethomas@sog.unc.edu.

Selection Process

DFI will lead and analyze responses, contact references, and coordinate interviews as necessary. After a review of submitted proposals, clarifications may be requested. Unless requested by DFI, no additional information may be submitted by developers after the June 2, 2016, deadline. DFI will enter discussions with the developers having the most viable proposals before finalizing its recommendation of a partner to the Mooresville Board of Commissioners. Once the Commissioners votes on a development partner, DFI will advise the Town in the negotiation of a formal development agreement.

Selection Timeline

Development Partner Proposals Due	June 2, 2017
Private Development Partner Chosen	July 2017
Development Agreement Executed	October 2016
Site Plan Review and Permitting	Winter/Spring 2018
Construction to Begin	June 2018

Disclaimers

All facts and opinions stated in this solicitation are based on available information and are believed to be accurate. Nevertheless, neither the Town of Mooresville nor the UNC School of Government, nor any of their officers, agents, or employees, shall be responsible for the accuracy of any information provided to any respondent as part of this solicitation or vetting process. All respondents are encouraged to independently verify the accuracy of any information provided. The use of any of this information in the preparation of a response to this request is at the sole risk of the respondent.

Those submitting responses to the Solicitation for Development Partners assume all financial costs and risks associated with the submission. No reimbursement or remuneration will be made by the Town or UNC to cover the costs of any submittal, whether or not such submittal is selected or utilized.

The Town reserves the right to reject any or all submittals at its sole and absolute discretion and accepts no responsibility for any financial loss by such action.

Any agreements that may be entered into between the developer(s) and the Town, including but not limited to a Development Services Agreement, are subject to approval by the Town's Board of Commissioners. DFI does not act as a broker or agent of the Town, and no representation made by DFI during the solicitation and vetting process shall be binding on the Town.

The Town reserves the right to waive irregularities or informalities in any submittal in the exercise of its sole and absolute discretion.

Appendix A: Contingent Fee Payment

The conveyance or lease of the property described herein (the "Property") to the successful bidder and its successors and assigns (the "Developer") shall be conditioned upon the execution of an agreement (the "Development Services Agreement") between the Town and the Developer pertaining to the responsibilities of either the Town or the Developer, or both, regarding any aspect of the development of the Property or any portion thereof (the "Project"). As part of the Development Services Agreement, the Developer shall agree to pay a fee to the Town's consultant ("SOG") and its successors and assigns for predevelopment services provided to the Town, and the Development Services Agreement shall provide that SOG is an intended third party beneficiary of the Development Services Agreement. The fee shall be an amount equal to 1% of the total costs of development of the Project as calculated by the Developer in the most recent version(s) of pro forma and other financial projections (the "Developer Financials") prepared by the Developer and delivered to lenders and/or investors prior to the execution of the Development Services Agreement, and in the event of any inconsistencies in the projected total costs among different versions of the Developer Financials, the version of the Developer Financials showing the greatest total costs of development of the Project shall be used to calculate the Development Services Fee. The Development Services Fee shall be due and payable in full to SOG no later than 30 days following execution of the Development Services Agreement. An alternative payment schedule for payment of the Development Services Fee to SOG may be developed as mutually agreed in writing by Developer and SOG; by way of illustration only, such schedule of payments could be tied to the receipt of any developer fees by Developer. Developer's obligation to pay Development Services Fee shall not be

assignable by Developer to any other entity, nor shall any assignment relieve Developer of its obligation to pay Development Services Fee, except upon written consent of SOG.

Appendix B: Town Owned and Operated Deck

100 North Church Street Development Pro Forma			ASSUMPTIONS			20-Jan-17	
Property	Units	SF	Income			Loan	
Residential Leasable SF	204	151,277	Residential Rent (Annual PSF)	\$19.20		Interest Rate	5%
Retail Leasable SF		14,840	Residential Vacancy (Yr 1/ongoing)	50%	5%	Amortization	20
Parking Leasable SF	414	157,400				Desired DSCR	1.20
Total Leasable SF		323,517	Retail Rent (Annual PSF)	\$20		Cap Rate	6.50%
Residential Non-Leasable SF		58,693			10		
Retail Non-Leasable SF		0	Retail Vacancy (Yr 1/ongoing)	50%	%	Loan Amount	\$23,608,494
Parking Non-Leasable SF		0				Annual Debt Service	\$1,948,798
Total Non-Leasable SF		58,693	Parking Rent (Monthly Per Space)	\$0		Actual LTV	63%
Total Built SF		382,210	Parking Vacancy (Yr 1/ongoing)	0%	0%	Actual LTC	69%
Efficiency (w/o Parking)		74%	Storage (Annual Per Unit)	\$600			
Development Period Sources (Includes Parking)			Rent Escalator		3%	LTC Method	
Cash	25%	\$10,728,522				Total Development Cost	\$42,868,553
Town	19%	\$8,114,707	Expenses			LTC	75%
Construction Loan	55%	\$23,608,494	Operating Expense Escalator		2%	Loan Size	\$26,065,385
Other	1%	\$362,830					
Total	100%	\$42,868,553	Residential			LTV Method	
Permanent Sources (Includes Parking)			Management Fee (% GEI)		4%	Stabilized NOI Valuation (Year 2)	\$37,247,061
Cash	25%	\$10,728,522	Operating Expenses (Annual Per Unit)	\$4,144		LTV	75%
Town	19%	\$8,114,707				Loan Size	\$27,935,296
Construction Loan	55%	\$23,608,494	Retail				
Other	1%	\$362,830	Management Fee (% GEI)		5%	Stabilized NOI Method	
Total	100%	\$42,868,553	Operating Expenses (PSF)	\$1.50		Stabilized NOI (Year 2)	\$2,338,558
Uses (Includes Parking)			Replacement Reserve (PSF)	\$0.50		Annual DS	\$1,948,798
Acquisition	4%	\$1,574,490				Monthly DS	\$162,400
Hard Costs	79%	\$33,788,360	Parking			Loan Size	\$23,608,494
Soft Costs	17%	\$7,505,704	Parking Lease (Monthly Per Space)	\$50			
Total	100%	\$42,868,553	Spaces Leased	204		Financing Costs	
Total Development Cost Per Use			Property Tax (per \$100)			Construction Loan Origination Fee	1%
Parking	19%	\$8,114,707	Town Property Tax Rate	\$0.58		Construction Loan Interest	5%
Residential + Retail	81%	\$34,753,846	Downtown Property Tax Rate	\$0.16		Construction Months	18
Total	100%	\$42,868,553	County Property Tax Rate	\$0.53		Drawdown	60%
Returns			Mooresville School Tax Rate	\$0.185		Disposition	
IRR		15%				Year of Disposition	5
Equity Multiple		2.0x				Cost of Sale	5%

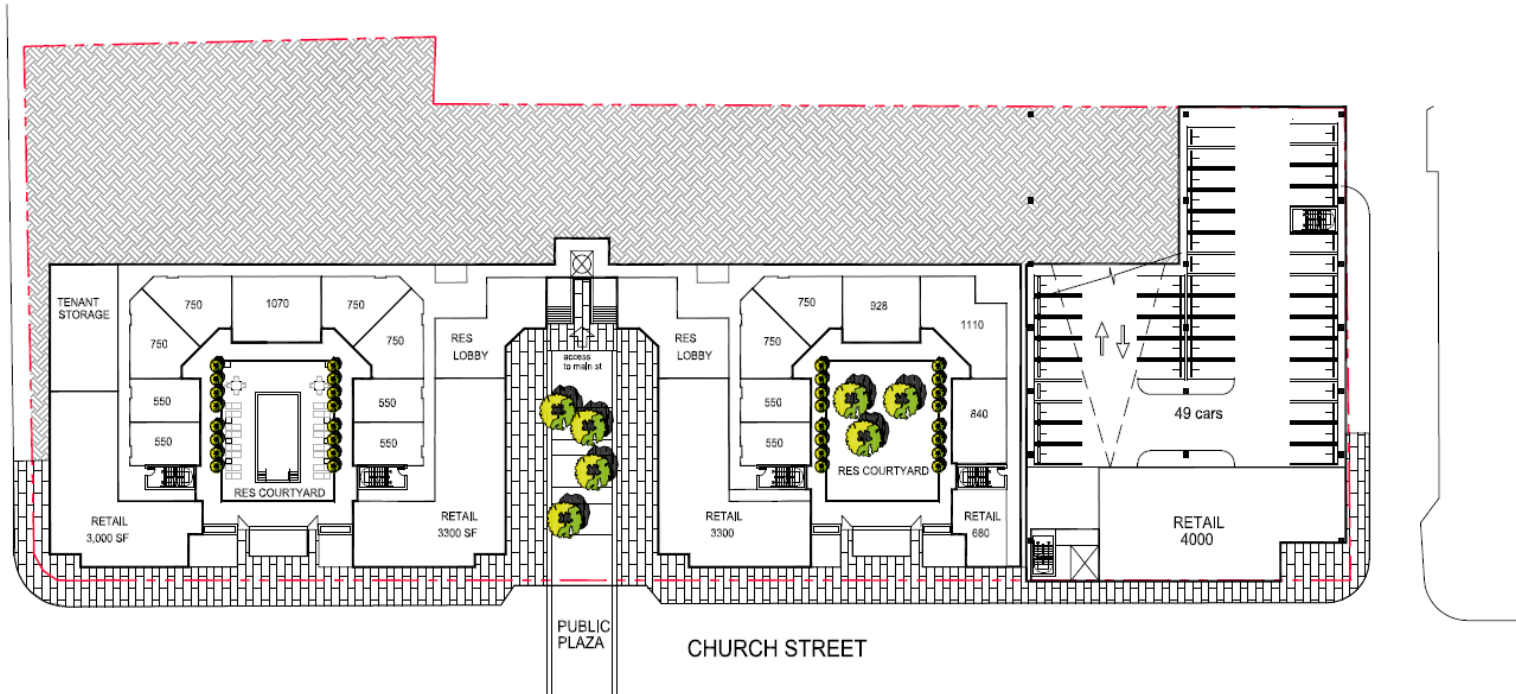
Appendix C: Development Budget for Residential + Retail

	Assumptions	Per GSF	Total	Cost Per Unit
ACQUISITION	\$585,366 Per Acre	\$7	\$1,574,490	\$7,718
HARD COSTS				
Residential				
Residential Shell		\$108	\$22,676,760	\$111,161
Sitework		\$10	\$708,000	\$3,471
Site Utilities		\$1	\$265,200	\$1,300
Amenities				
Clubhouse		\$100	\$1,300,000	\$6,373
Pool		\$275	\$223,300	\$1,095
Pool side		\$25	\$229,700	\$1,126
Courtyard		\$25	\$500,000	\$2,451
Retail				
Retail Shell		\$65	\$964,600	\$4,728
Retail Tenant Improvements		\$20	\$296,800	\$1,455
TOTAL		\$121	\$27,164,360	\$133,159
SOFT COSTS				
A & E	7%	\$8.46	\$1,901,505	\$9,321
Insurance	\$0.25	\$0.25	\$56,203	\$276
Legal & accounting	\$0.80	\$0.80	\$179,848	\$882
Property Taxes	\$1.45 per \$100 assessed value	\$0.10	\$22,869	\$112
Surveys, title ins., environ, appraisal, etc.	\$0.30	\$0.30	\$67,443	\$331
Construction Loan				
Construction Loan Origination Fee	1%	\$1.05	\$236,085	\$1,157
Construction Loan Interest		\$5.20	\$1,168,620	\$5,729
Soft Cost Contingency	10%	\$0.99	\$222,787	\$1,092
TOTAL	11% Of Hard Costs	\$17	\$3,855,360	\$18,899
OTHER COSTS				
Developer Fee	4%	\$6	\$1,238,747	\$6,072
Operating Reserve		\$4	\$918,782	\$4,504
TOTAL OTHER COSTS	7% Of Hard Costs	\$10	\$2,157,529	\$10,576
TOTAL RESIDENTIAL + RETAIL COSTS		\$154	\$34,753,846	\$170,362

Appendix D: Cash Flow (Town Owned Deck)

				Year 1	Year 2	Year 3	Year 4	Year 5
OPERATING REVENUE								
Tenant Storage	4000 SF	\$1200 Annually	Per Unit	\$240,000	\$247,200	\$254,616	\$262,254	\$270,122
<i>(Year 1 Vacancy, Ongoing)</i>	50%	30%		(\$120,000)	(\$74,160)	(\$74,160)	(\$74,160)	(\$74,160)
Residential				\$2,897,165	\$2,984,080	\$3,073,602	\$3,165,810	\$3,260,785
<i>(Year 1 Vacancy, Ongoing)</i>	50%	5%		(\$1,448,582)	(\$149,204)	(\$153,680)	(\$158,291)	(\$163,039)
Retail				\$296,800	\$305,704	\$311,818	\$318,054	\$324,416
<i>(Year 1 Vacancy, Ongoing)</i>	50%	10%		(\$148,400)	(\$30,570)	(\$31,182)	(\$31,805)	(\$32,442)
GROSS EFFECTIVE INCOME				\$1,716,982	\$3,283,049	\$3,381,014	\$3,481,863	\$3,585,681
OPERATING EXPENSES								
Parking Lease	204 Spaces	\$50 Monthly	Per Space	(\$122,400)	(\$122,400)	(\$122,400)	(\$122,400)	(\$122,400)
Residential Management Fee	4%			(\$57,943)	(\$113,395)	(\$116,797)	(\$120,301)	(\$123,910)
Residential Operating Expenses	\$1000		Per Unit	(\$204,000)	(\$208,080)	(\$212,242)	(\$216,486)	(\$220,816)
Residential Replacement Reserve	\$40		Per Unit	(\$8,160)	(\$8,323)	(\$8,490)	(\$8,659)	(\$8,833)
Retail Management Fee	5%			(\$7,420)	(\$13,757)	(\$14,032)	(\$14,312)	(\$14,599)
Retail Operating Expenses	\$1.50		Per LSF	(\$22,260)	(\$22,705)	(\$23,159)	(\$23,622)	(\$24,095)
Retail Replacement Reserve	\$0.50		Per LSF	(\$7,420)	(\$7,568)	(\$7,720)	(\$7,874)	(\$8,032)
Mooresville Tax	\$0.58			(\$91,181)	(\$169,545)	(\$172,258)	(\$175,014)	(\$177,815)
Mooresville Downtown	\$0.16			(\$25,153)	(\$51,112)	(\$51,929)	(\$52,760)	(\$53,604)
County Taxes	\$0.53			(\$82,927)	(\$168,508)	(\$171,205)	(\$173,944)	(\$176,727)
Mooresville School	\$0.185			(\$58,167)	(\$59,098)	(\$59,724)	(\$60,357)	(\$60,997)
TOTAL EXPENSES				(\$687,032)	(\$944,492)	(\$959,955)	(\$975,731)	(\$991,827)
NET OPERATING INCOME				\$1,030,364	\$2,338,975	\$2,421,482	\$2,506,561	\$2,594,291
NOI Valuation	6.50%			\$15,851,752	\$35,984,230	\$37,253,576	\$38,562,485	\$39,912,164
DEBT SERVICE								
Loan Payment				(\$1,948,798)	(\$1,948,798)	(\$1,948,798)	(\$1,948,798)	(\$1,948,798)
Operating Reserve				\$918,848				
BTCF				\$0	\$389,760	\$472,261	\$557,334	\$645,057
DISPOSITION								
Gross Sale Proceeds	Year 5			\$0	\$0	\$0	\$0	\$41,297,052
Less Selling Fees	5%			\$0	\$0	\$0	\$0	(\$2,064,853)
Net Sale Proceeds				\$0	\$0	\$0	\$0	\$39,232,199
Less Loan Balance				\$0	\$0	\$0	\$0	(\$19,875,551)
Before Tax-Cash Flow From Sale to Equity				\$0	\$0	\$0	\$0	\$19,356,649
EQUITY RETURNS: BEFORE-TAX, LEVERED								
Equity In	(10,782,522)		(\$10,782,522)					
Cash Flow from Operations				(\$312,104)	\$389,760	\$472,261	\$ 557,334	\$645,057
Cash Flow from Disposition				\$0	\$0	\$0	\$0	\$19,356,649
Total Cash Flow			(\$10,782,522)	(\$312,104)	\$389,760	\$472,261	\$557,334	\$20,001,705
IRR	15%							
Equity Multiple	2x							

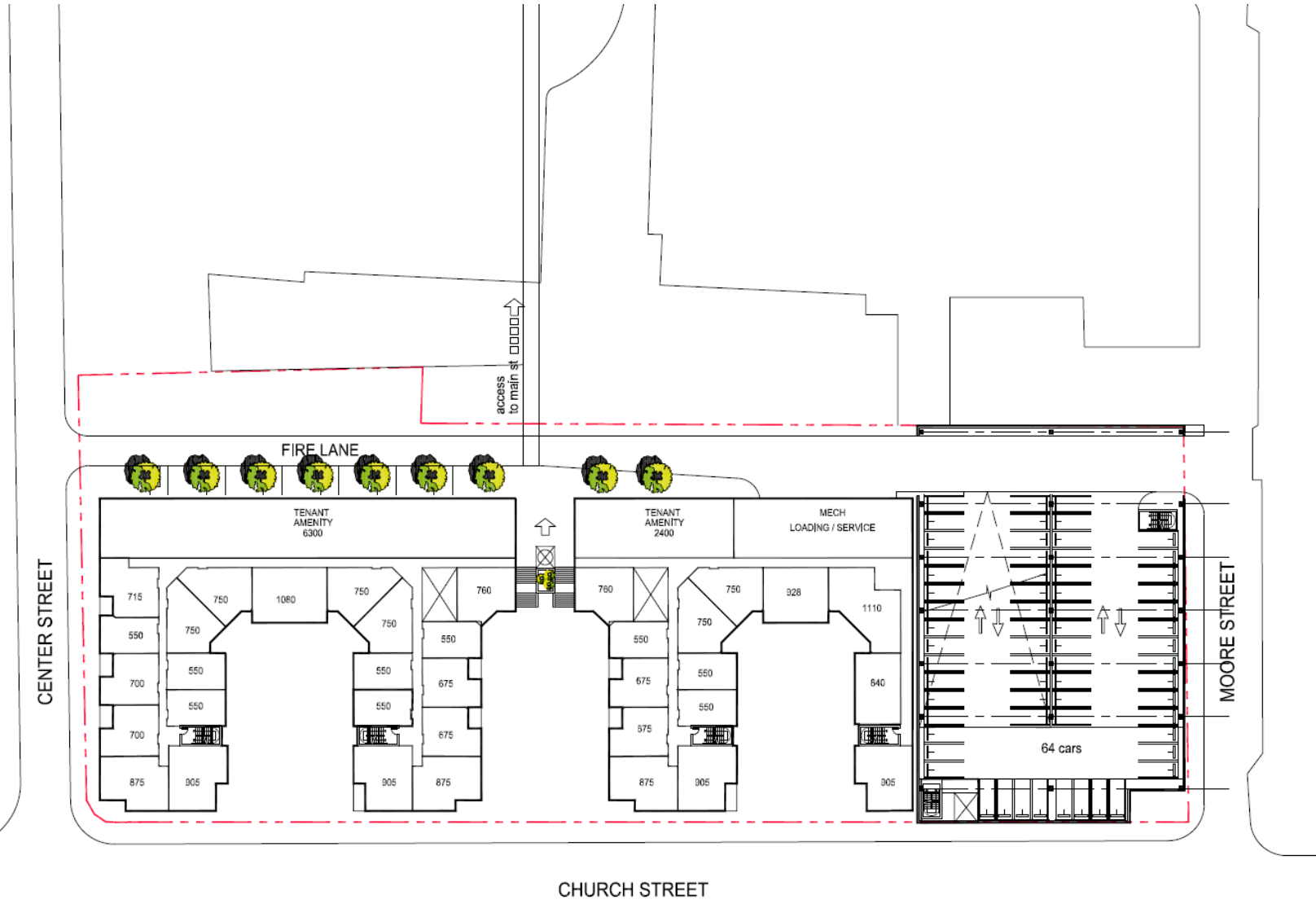
Appendix E: Church Level Plan, Built Form Architecture



SCHEME B1
9.1.16

CHURCH LEVEL PLAN

Appendix F: Upper Grade Plan, Built Form Architecture



Appendix G: Floors 3, 4, 5, Built Form Architecture

