

Feasibility Study for the Renovation of the DC Cook Mansion

Elgin, IL



Funding for this study provided by:



Produced by:



The DC Cook Mansion – 105 Gifford St., Elgin, IL

Summary of Feasibility Study

The DC Cook Mansion was built in 1886 as a Queen Anne Chauteque architectural style. It was built for \$ 10,000 by Publisher David C. Cook, founder of DC Cook Publishing and founder of Judson University. Its striking exterior masonry utilized the Milwaukee Cream City brick and horizontal terracotta banding and detailing. Its bay windows, multiple chimneys, and decorative wood porch were defining features of the home. Many of these features still exist behind decades of alterations, additions, and coats of paint.

The Gifford Historic District Neighborhood Association envisions a renovated home that can be returned to its original 1886 appearance. How this can be accomplished will require the use of unconventional financing that is available to assist in the revitalization and renovation of this unique home.

This feasibility analysis is intended to outline the redevelopment possibilities of the DC Cook Mansion. Due to its previous use as a nursing home and multiple additions, it is not the easiest property to reinvent or restore it to its original residential use. However, it has a great opportunity to be a key structure in strengthening the neighborhood and adding great value to an already rich architectural heritage in the Gifford Park Historic District neighborhood.



PROPOSED OPTIONS

We have developed 3 different options to attract a buyers or investors in redeveloping the property. They include:

1. Converting it back to a single family residence;
 - 1a. Converting it back to a single family, but at a reduced cost;
2. Converting it to a two family residence;
3. Developing it to a Bed and Breakfast.

Each option will attract a different kind of investor or buyer. Due to the amount of work that will be required, we have created a financial stack of multiple sources to make the financial pro-formas work to reduce risk and make it an attractive investment.

If it weren't for its structural integrity and remaining exterior and interior architectural features and the history of its original owner and builder, its ability to be salvaged would be in question. We believe that is a worthy cause that is financeable with enough multiple sources.



ESTIMATED COSTS

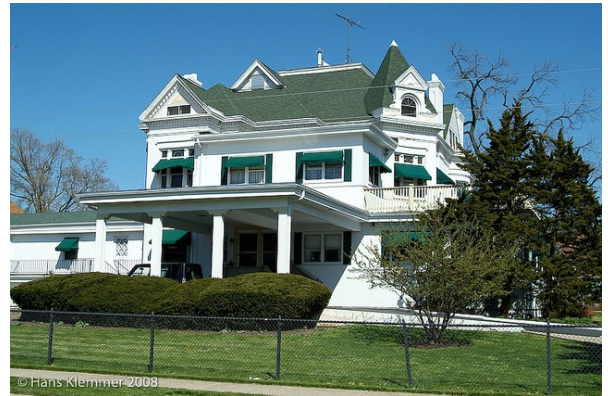
Estimating the proposed cost of improvements has been the result of consultations with various contractors and consultants with expertise in preserving historic structures. What we have outlined in a proposed construction budget is a middle of the road approach to preserving many of the home's remaining architectural features and renovating the structure. We propose providing a completely new infrastructure of HVAC, Plumbing and Electrical work, quality finishes and modern conveniences.

Depending on the buyer or investors, a higher level of finish could be achieved to restore more of this house to its original grandeur. However, we feel that the proposed renovation budget is a reasonable approach to preserving its integrity that can be supported by a capital stack of financing. This is the kind of budget that will be needed in order to achieve a market value worthy of the investment at the end of construction.

We have also provided the attached financial pro-formas to assist buyers or investors to attract their investment and interest in the property.

PROJECT APPROACH

We have divided each of these proposed options into two phases. Phase 1 would be to provide a scope of work that would begin to unveil and fully expose the redevelopment potential of the home. It would include demolition of the nursing home and all the additions around the original structure; removal of the paint on all the exterior masonry, removal of all the non-original interior partitions; temporary roof repairs and interior cleanup. In order to reduce initial costs and risks we have proposed the use of sweat equity by the Neighborhood Association to help facilitate and supplement the redevelopment. From our own experience, it creates a neighborhood buzz of excitement and discovery amongst its neighbors when its potential value gets re-exposed and reveals its possibilities. It reinforces a sense of purpose for the neighborhood and will encourage potential buyers as the neighbors demonstrate the importance and value the property is for the neighborhood. The primary purpose of Phase 1 would be to reveal the home's potential and generate greater interest with potential buyers and investors.

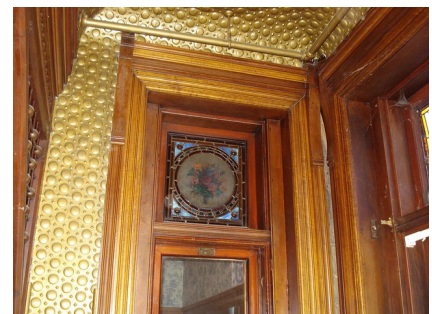
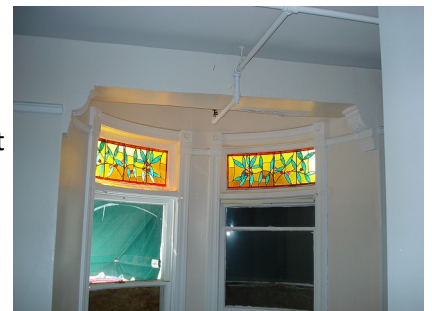


OPTION 1

TOTAL DEVELOPMENT COSTS: \$1,581,442

This option is to return the property to a single family home, fully renovated and with some restoration of its remaining architectural features. We have accounted for the replacement of lost architectural features in the renovation budget, such as the fireplaces and woodwork features. Our budget includes re-installing replacement fireplaces or possibly re-purchasing the original units, if they are available. All the existing woodwork and missing trim would be restored. The remaining floor finishes and wall finishes would be restored. All existing ceilings would be repaired or re-plastered and painted. All new toilets and finishes would be installed for each bedroom. All the remaining doors would be restored with their existing hardware where possible. Installations of new doors, hardware and trim have been estimated for a renovated plan. The decorative arched bracketry that was removed on the 1st and 2nd floors has not been included for reinstallation.

The existing 1st and 2nd floor windows would be restored and any missing units would be replaced in the existing openings. We have included a cost allowance for a new kitchen. We would recommend that the main staircase be retained due to the expected high cost to restore it back to its original configuration. We've also included the cost for new bathrooms for each of the bedrooms.



All mechanical systems would be replaced in their entirety.

The 2nd floor would retain the existing painted woodwork and repainted. Existing flooring would be restored with a large portion of it being new. All wall and ceiling finishes would be repaired or have new plaster surfaces installed and painted. All new toilets would be installed for each bedroom. The skylight to the 3rd floor would be restored. We have not budgeted for any other 3rd floor work for living space.

All exterior finishes would be restored including the masonry, exterior painted wood work, new roofing and flashings, new front and rear porches for the 1st floor entrances.

We have budgeted for landscaping and a garage. The opportunity exists to make the garage into a carriage house as well.

OPTION 1A

TOTAL DEVELOPMENT COSTS: \$1,394,376

This option would be for a single family home at a reduced cost. The proposed renovation would consist of lesser quality materials and spending less on some of the improvements. It would still be a fully renovated home with the entire mechanical infrastructure being replaced. However, all the woodwork would probably be painted. The exterior would have a reduced quality of roofing and flashings and a basic porch reconstruction. For the potential buyer, sweat equity could be utilized to improve the quality of materials in return for labor.

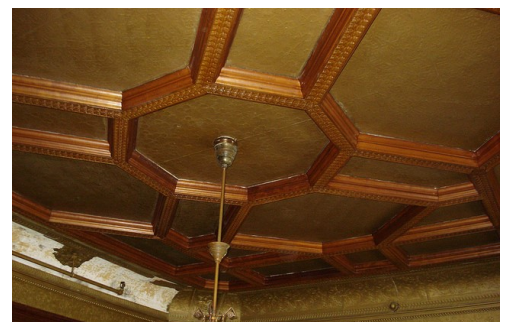
OPTION 2

TOTAL DEVELOPMENT COSTS: \$1,541,202

This option is proposed to make the home a two-family unit. Without some further design work we believe that this option can be made to work either as a single floor apartment unit on each floor or as a townhouse-type, two story unit. We have not proposed any use at this time of using the 3rd floor. However, depending on the buyer they could utilize the additional 3rd floor space for each of those units. We didn't include the 3rd floor because the scope of work would be very costly to provide access and mechanical services to that level. We did not feel the improvement would add enough value to warrant adding it in as part of the development cost.

The scope of work is similar to Option 1 and is proposed to be fully renovated with some restoration of its remaining architectural features. Work would include restoring the existing remaining 1st and 2nd floor architectural features. We have included the replacement of lost architectural features in the renovation budget, such as the fireplaces and woodwork features. We have budgeted to include re-installing replacement fireplaces or possibly re-purchasing the original units, if they are available. All the existing woodwork and missing trim would be restored. The remaining floor finishes, and wall finishes would be restored. All existing ceilings would be repaired or re-plastered, and painted. All new toilets and finishes would be installed for each bedroom. All the remaining doors would be restored with their existing hardware where possible. Installation of new doors, hardware, and trim have been estimated for a renovated plan. The decorative arched bracketry that was removed on the 1st and 2nd floors has not been included for reinstallation.

The existing 1st and 2nd floor windows would be restored and any missing units would be replaced in the existing openings. We have included a cost allowance for two new kitchens. We would recommend that the main staircase be retained due to the expected high cost to restore it back to its original configuration. The other stair would be reworked to improve access to the 2nd floor. We've also included the cost for new bathrooms for each of the bedrooms. All mechanical systems would be replaced in their entirety.



The exterior finishes would be fully restored with the masonry stripped of paint and the porches restored at the 1st floor levels. All exterior woodwork would be restored and repainted. The roof and flashings have been budgeted for replacement. There are many levels of quality that can be considered when it comes to finishes and selection of materials. For this proposed budget we opted for quality but not the top of the line.

OPTION 3

TOTAL DEVELOPMENT COSTS: \$1,615,349

This option would be to renovate and restore some of the architectural features and to reinvent the home as a Bed and Breakfast.

The proposed budget and scope of work is very similar to Option 1. The difference is adding more bathrooms for the proposed 7 units and adding more costs to the mechanical infrastructure that will be required. All interior and exterior finishes would be the same.

The intent would be to create a high quality experience for visitors. It would be of value if Judson University would utilize the facility for their out-of-town guests as the home of their founder.

FINANCIAL STACK

Outlined in the financial pro-formas, the various options include multiple funding sources to accomplish the goal of the successful re-use of this historic home. For all options, we assume a \$1 acquisition price and then consider private equity, sweat equity from neighbors and other interested parties, a conventional 20-year bank loan, Federal and State historic tax credits, a façade improvement program as sponsored by the Gifford Park Association, a 5-year tax rebate on the City's portion of taxes (20% of full tax bill), additional City participation in the amount of \$50,000, the hopeful donation of landscaping material with volunteer installation, a gift from the DC Cook Foundation of \$100,000. For Options 1, 1a, and 2 we account for the property being purchased at a value similar to comparable properties.

The house qualifies for Federal historic tax credits due to its location within the Gifford Park Historic District. In order to also access the State Historic tax credits the boundaries of the River Edge Redevelopment Zone for the City of Elgin would need to be extended to include this property. This is not a complicated process for the City and would provide a valuable funding source for renovating this and other potential properties.

For Option 2, the two-family option, we assumed that a rental rate of \$1.00 per square foot could be achieved, resulting in approximately \$2400 a month. This income would help supplement the mortgage, covering nearly two-thirds of the anticipated \$35,750 annual mortgage. Even if a rent of \$2400 a month could not be achieved and the market is for a lower rental rate, the supplementary income would greatly reduce the owner's mortgage burden.

For Option 3, the Bed and Breakfast option, we assume that this business could be handled in a number of ways. Options include 1.) via solo advertisement of the property on their own website and outlets, 2.) by utilizing the popular website and advertising mechanism of AirBnB, or 3.) by a hybrid of the both. We assume a nightly rate of \$160. Knowing it is not realistic to assume every room will be occupied every night of the year, we account (on the last page of that pro-forma) for a conservative vacancy rate of 32%. Given this is a commercial endeavor, we were able to calculate the cash flow to show that this use would result in enough income to be able to cover the annual mortgage payment and operating expenses and stay in the black.

CONCLUSION

In summary, the DC Cook Mansion could be a significant asset to the Gifford Park Association and to the community of Elgin. It is a wonderful example of the Queen Anne architectural style and upon renovation would be a lasting reminder of the important history of DC Cook Publication, Judson University, and the City of Elgin. Through our analysis, we have determined that the project is financially feasible as we looked at the various uses and approaches to its renovation. The project is complicated in that it requires multiple funding sources to make it happen. It is worth the effort as the end result could be an impressionable building that represents great history and architecture.

OPTION 1 - FULL RENOVATION

Task	Unit Cost	Quantity		Cost
			\$/s.f.	
Exterior - Phase 1 (Option 1)				
Building Additions Demolition			\$	125,000.00
Asbestos Inspection / Removal			\$	7,500.00
Utility Disconnection, Gas, Elect. Water			\$	500.00
Build Temp. Stairs to Entrances	\$ 1,500.00	2	\$	1,500.00
Strip Paint on Masonry Walls		5,000	\$	40,000.00
Strip Paint on Masonry Chimneys		600	\$	10,000.00
Limited Masonry repair on exposed openings			\$	10,000.00
Infill Exterior Basement Wall Openings	\$ 30.00	160	\$	4,800.00
			\$	-
			\$	-
Subtotal			\$	199,300.00
Interior - Phase 1 (Option 1)				
Interior Demolition of unwanted partitions				
Basement - Remove Ceiling		2,400	\$	5,000.00
First Floor		2,400	\$	5,000.00
Second Floor		2,400	\$	5,000.00
Third Floor, Remove all Partitions		2,400	\$	7,000.00
Building Clean Up			\$	2,000.00
Open Up Boarded Up Windows			\$	500.00
Remove All Heating, Water piping, Sprinkler				
Electrical		9,600	\$	15,000.00
Remove all Kitchen Equipment, Unwanted Cab.			\$	1,500.00
			\$	-
			\$	-
Subtotal			\$	41,000.00
PHASE 1 TOTAL			\$	240,300.00

Exterior - Phase 2 (Option 1)				
Window Repair / Restoration				
First Floor Storms ?	\$ 400.00	14		\$ 5,600
Second Floor Storms ?	\$ 400.00	14		\$ 5,600
Third Floor Attic	\$ 400.00	6		\$ 2,400
Basement				\$ -
Window Replacement				
First Floor	\$ 2,200.00	8		\$ 17,600
Second Floor	\$ 1,500.00	3		\$ 4,500
Third Floor Attic				\$ -
Basement	\$ 400.00	10		\$ 4,000
Exterior Door Replacement	\$ 1,800.00	5		\$ 9,000
Rear Porch Reconstruction				\$ 15,000
Front Porch Reconstruction				\$ 50,000
Strip and Reinstall New Roof		3,750		\$ 70,000
New Turret Roof and Framing				\$ 20,000
Replace Flat Roof, Skylight, Crown Flashing				\$ 12,500
Masonry Repairs / Restoration				\$ 30,000
Chimney Restoration (4)		600		\$ 20,000
				\$ -
				\$ -
Subtotal				\$ 266,200

Interior Phase 2 (Option 1)				
Flooring				
First Floor				
Restore Flooring	\$ 6.50	2,145		\$ 13,943
New Flooring	\$ 12.00	255		\$ 3,060
Second Floor				
Restore Original Flooring	\$ 6.50	2,040		\$ 13,260
New Flooring	\$ 12.00	360		\$ 4,320
Third Floor				
No Work				n/a
Walls				
First Floor				
Restore Plaster				\$ 15,000
New Partitions (1) toilet/Kitchen	\$ 35.00	300		\$ 10,500
Second Floor				
Restore Plaster				\$ 15,000
New Partitions (3) toilets / (4) closets	\$ 35.00	280		\$ 9,800
Third Floor				
No Work				n/a
Doors and Trim				
First Floor				
Restore Existing Doors & Hardware	\$ 1,500.00	4		\$ 6,000
Replace Doors and some Trim & Hardware	\$ 1,500.00	17		\$ 25,500
Second Floor				
Restore Existing Doors & Hardware	\$ 1,000.00	12		\$ 12,000
Replace Doors and some Trim & Hardware	\$ 1,500.00	7		\$ 10,500
Third Floor				
No Work				n/a
Ceilings				
First Floor				
Restore Plaster	\$ 15.00	900		\$ 13,500
Install New Ceilings	\$ 10.50	1,500		\$ 15,750
Second Floor				
Restore Plaster	\$ 15.00	800		\$ 12,000
Install New Ceilings	\$ 10.50	900		\$ 9,450
Third Floor				
No Work				n/a
New Toilets				
First Floor	\$ 2,500.00	1		\$ 2,500
Second Floor	\$ 8,000.00	3		\$ 24,000
Basement	\$ 2,000.00	1		\$ 2,000
Painting				
First Floor	\$ 2.50	8,500		\$ 21,250
Second Floor	\$ 1.50	10,000		\$ 15,000
Basement	\$ 1.25	2,400		\$ 3,000
Refinish Woodwork				
First Floor Door & Window openings	\$ 150.00	40		\$ 6,000
First Floor Baseboard	\$ 7.00	900		\$ 6,300
Second Floor Door & Window openings	\$ 150.00	60		\$ 9,000
Second Floor Baseboard	\$ 7.00	900		\$ 6,300
Basement				\$ -
First Floor Fireplace Replacement, Reinstallation	\$ 8,000.00	4		\$ 32,000
Reinstall 2nd Floor Fireplaces	\$ 500.00	4		\$ 2,000
Rear Stair Repair/ Reconstruction				\$ 4,000
Main Staircase, Repair add Railing 2nd Fl	\$ 300.00	16		\$ 4,800
Main Staircase, Reconstruct				
New Kitchen				\$ 40,000
Insulate Attic	\$ 3.00	6,000		\$ 18,000
Insulate Exterior Walls	\$ 2.50	9,800		\$ 24,500
				\$ -
New Mech/ HVAC	\$ 10.00	7,200		\$ 72,000
New Electrical Service, Wiring, Lighting	\$ 15.50	4,800		\$ 74,400
New Plumbing	\$ 10.00	4,800		\$ 48,000

DC Cook Mansion

			\$	-
			\$	-
Subtotal			\$	604,633
Site Improvements Phase 2 (Option 1)				
Remove Remaining Drives and Parking Areas			\$	10,000
Infill Grade from Demolition of Additions			\$	7,500
Install new Walks and Drive			\$	8,000
Build New Garage/ Carriage House			\$	35,000
Landscaping and Seeding			\$	15,000
			\$	-
			\$	-
Subtotal			\$	75,500
PHASE 2 TOTAL			\$	946,333
PHASE 1 & PHASE 2 TOTAL			\$	1,186,633
Sales tax rebate on building materials			\$	-
Contractor Overhead & Profit (8%)			\$	94,931
Construction Contingency (10%)			\$	118,663
OPTION 1 CONSTRUCTION COSTS TOTAL			\$	1,400,226
Acquisition Costs				
Acquisition			\$	1
Closing Costs			\$	2,500
Subtotal			\$	2,501
Soft Costs				
Architecture/Engineering Fees (6%)			\$	71,198
HTC Consulting (0.6%)			\$	7,120
Building Permit (1%)			\$	11,866
Subtotal			\$	90,184
Financing Costs				
Construction Loan Interest (4.5% to account for 6 month const. period)			\$	71,198
Construction Loan Fees (1%)			\$	11,866
Permanent Loan Fees/Closing Costs (0.25%)			\$	2,967
Title & Recording Costs			\$	2,500
Subtotal			\$	88,531
OPTION 1 DEVELOPMENT COSTS TOTAL			\$	1,581,442

N/A

HISTORIC TAX CREDIT CALC	
Amount	
Historic Tax Credits	
Federal HTC	20%
Discount rate	\$ 0.85
TOTAL FEDERAL HTC CREDIT	\$ 268,845
State HTC	25%
Discount rate	\$ 0.75
TOTAL STATE HTC CREDIT	\$ 296,520

SOURCES	
Amount	
Sources	
Private Equity	\$ 79,072
Sweat Equity (highlighted items)	\$ 26,000
Conventional Loan	\$ 288,887
Federal HTCs	\$ 268,845
State HTCs	\$ 296,520
Façade improvement program	\$ 40,000
5 year tax rebate (City portion only)	\$ 15,358
City participation	\$ 50,000
Donation of landscaping material with volunteer install	\$ 15,000
DC Cook Gift	\$ 100,000
Sale/Purchase Price	\$ 432,000
Minus Realtor Fee (7% of sale)	\$ (30,240)
TOTAL SOURCES	\$ 1,581,442

Percentage of Total
5%
2%
18%
17%
19%
3%
1%
3%
1%
6%
27%
-2%
100%

ASSUMPTIONS	
Total Building Sq. ft. (after addtn demos)	7,200
Current Assessment \$ / Sq. ft.	\$ 30
Const. value captured by assessment	\$ 60
Current FMV (2016)	\$ 463,560
Future FMV (2035)	\$ 432,000
Future Equalized Assessed Value (EAV)	\$ 144,000
Base Property Tax	\$ 17,313
Future Property Tax Estimate	\$ 15,358
Loan - Stated Annual Interest Rate	4.50%
Loan - Term (years)	20

OPTION 1A - REDUCED RENOVATION				
Task	Unit Cost	Quantity	\$/s.f.	Cost
Exterior - Phase 1 (Option 2)				
Building Additions Demolition			\$	125,000.00
Asbestos Inspection / Removal			\$	7,500.00
Utility Disconnection, Gas, Elect. Water			\$	500.00
Build Temp. Stairs to Entrances	\$ 1,500.00	2	\$	1,500.00
Strip Paint on Masonry Walls		5,000	\$	40,000.00
Strip Paint on Masonry Chimneys		600	\$	10,000.00
Limited Masonry repair on exposed openings			\$	10,000.00
Infill Exterior Basement Wall Openings	\$ 30.00	160	\$	4,800.00
			\$	-
			\$	-
Subtotal			\$	199,300.00
Interior - Phase 1 (Option 2)				
Interior Demolition of unwanted partitions				
Basement - Remove Ceiling		2,400	\$	3,500.00
First Floor		2,400	\$	5,000.00
Second Floor		2,400	\$	7,500.00
Third Floor, Remove all Partitions		2,400	\$	5,000.00
Building Clean Up			\$	2,000.00
Open Up Boarded Up Windows			\$	500.00
Remove All Heating, Water piping, Sprinkler				
Electrical		9,600	\$	15,000.00
Remove all Kitchen Equipment, Unwanted Cab.			\$	1,500.00
			\$	-
			\$	-
Subtotal			\$	40,000.00
PHASE 1 TOTAL			\$	239,300.00

Exterior - Phase 2 (Option 2)				
Window Repair / Restoration				
First Floor Storms ?	\$ 400.00	14	\$	5,600.00
Second Floor Storms ?	\$ 400.00	14	\$	5,600.00
Third Floor Attic	\$ 400.00	6	\$	2,400.00
Basement			\$	-
Window Replacement				
First Floor	\$ 2,200.00	8	\$	17,600.00
Second Floor	\$ 1,500.00	3	\$	4,500.00
Third Floor Attic			\$	-
Basement	\$ 400.00	10	\$	4,000.00
Exterior Door Replacement	\$ 1,800.00	5	\$	9,000.00
Rear Porch Reconstruction			\$	15,000.00
Front Porch Reconstruction			\$	35,000.00
Strip and Reinstall New Roof		3,750	\$	70,000.00
New Turret Roof and Framing			\$	20,000.00
Replace Flat Roof, Skylight, Crown Flashing			\$	12,500.00
Masonry Repairs / Restoration			\$	30,000.00
Chimney Restoration (4)		600	\$	20,000.00
			\$	-
			\$	-
Subtotal			\$	251,200.00

Interior Phase 2 (Option 2)				
Flooring				
First Floor				
Restore Flooring	\$ 3.50	2,145	\$	7,507.50
New Flooring	\$ 10.00	255	\$	2,550.00
Second Floor				
Restore Original Flooring	\$ 3.50	2,040	\$	7,140.00
New Flooring	\$ 10.00	360	\$	3,600.00
Third Floor				
No Work				n/a
Walls				
First Floor				
Restore Plaster			\$	15,000.00
New Partitions (1) toilet/Kitchen	\$ 40.00	300	\$	12,000.00
Second Floor				
Restore Plaster			\$	15,000.00
New Partitions (3) toilets / (4) closets	\$ 40.00	280	\$	11,200.00
Third Floor				
No Work				n/a
Doors and Trim				
First Floor				
Restore Existing Doors & Hardware	\$ 1,100.00	4	\$	4,400.00
Replace Doors and some Trim & Hardware	\$ 900.00	17	\$	15,300.00
Second Floor				
Restore Existing Doors & Hardware	\$ 1,100.00	12	\$	13,200.00
Replace Doors and some Trim & Hardware	\$ 900.00	7	\$	6,300.00
Third Floor				
No Work				n/a
Ceilings				
First Floor				
Restore Plaster	\$ 10.00	900	\$	9,000.00
Install New Ceilings	\$ 8.00	1,500	\$	12,000.00
Second Floor				
Restore Plaster	\$ 10.00	800	\$	8,000.00
Install New Ceilings	\$ 8.00	900	\$	7,200.00
Third Floor				
No Work				n/a
New Toilets				
First Floor	\$ 2,500.00	1	\$	2,500.00
Second Floor	\$ 5,000.00	3	\$	15,000.00
Basement	\$ 1,000.00	1	\$	1,000.00
Painting				
First Floor	\$ 1.25	8,500	\$	10,625.00
Second Floor	\$ 1.25	10,000	\$	12,500.00
Basement	\$ 1.00	2,400	\$	2,400.00
Refinish Woodwork				
First Floor Door & Window openings	\$ 175.00	40	\$	7,000.00
First Floor Baseboard	\$ 5.00	900	\$	4,500.00
Second Floor Door & Window openings	\$ 100.00	60	\$	6,000.00
Second Floor Baseboard	\$ 3.00	900	\$	2,700.00
Basement			\$	-
First Floor Fireplace Replacement, Reinstallation	\$ 8,000.00	4	\$	32,000.00
Reinstall 2nd Floor Fireplaces	\$ 500.00	4	\$	2,000.00
Rear Stair Repair/ Reconstruction			\$	2,000.00
Main Staircase, Repair add Railing 2nd Fl	\$ 300.00	16	\$	4,800.00
Main Staircase, Reconstruct				
New Kitchen			\$	30,000.00
Insulate Attic	\$ 3.00	6,000	\$	18,000.00
Insulate Exterior Walls	\$ 2.50	9,800	\$	24,500.00
			\$	-
New Mech/ HVAC	\$ 9.00	7,200	\$	64,800.00
New Electrical Service, Wiring, Lighting	\$ 12.00	4,800	\$	57,600.00
New Plumbing	\$ 10.00	4,800	\$	48,000.00
			\$	-
			\$	-
Subtotal			\$	497,322.50

DC Cook Mansion

Site Improvements Phase 2 (Option 2)			
Remove Remaining Drives and Parking Areas			\$ 10,000.00
Infill Grade from Demolition of Additions			\$ 5,000.00
Install new Walks and Drive			\$ 7,000.00
Build New Garage/ Carriage House			\$ 20,000.00
Landscaping and Seeding			\$ 16,000.00
			\$ -
			\$ -
Subtotal			\$ 58,000.00
PHASE 2 TOTAL		\$	806,522.50
PHASE 1 & PHASE 2 TOTAL		\$	1,045,822.50
Contractor Overhead & Profit (8%)		\$	83,665.80
Construction Contingency (10%)		\$	104,582.25
OPTION 1A GRAND TOTAL		\$	1,234,070.55

Acquisition Costs			
Acquisition			\$ 1
Closing Costs			\$ 2,500
Subtotal		\$	2,501
Soft Costs			
Architecture/Engineering Fees (6%)			\$ 62,749
HTC Consulting (0.6%)			\$ 6,275
Building Permit (1%)			\$ 10,458
Subtotal		\$	79,483
Financing Costs			
Construction Loan Interest (4.5% to account for 6 month const. period)		\$	62,749
Construction Loan Fees (1%)			\$ 10,458
Permanent Loan Fees/Closing Costs (0.25%)			\$ 2,615
Title & Recording Costs			\$ 2,500
Subtotal		\$	78,322
OPTION 1A DEVELOPMENT COSTS TOTAL		\$	1,394,376

HISTORIC TAX CREDIT CALC	
Amount	
Historic Tax Credits	
Federal HTC	20%
Discount rate	\$ 0.85
TOTAL FEDERAL HTC CREDIT	\$ 237,044
State HTC	25%
Discount rate	\$ 0.75
TOTAL STATE HTC CREDIT	\$ 261,446

SOURCES		Percentage of Total
Amount		
Sources		
Private Equity	\$ 69,719	5%
Sweat Equity (highlighted items)	\$ 25,000	2%
Conventional Loan	\$ 347,570	25%
Federal HTCs	\$ 237,044	17%
State HTCs	\$ 261,446	19%
Façade improvement program	\$ 40,000	3%
5 year tax rebate (City portion only)	\$ 12,798	1%
City participation	\$ 50,000	4%
Donation of landscaping material with volunteer install	\$ 16,000	1%
DC Cook Gift	\$ -	0%
Sale/Purchase	\$ 360,000	26%
Minus Realtor Fee (7% of sale)	\$ (25,200)	-2%
TOTAL SOURCES \$ 1,394,376		100%

ASSUMPTIONS	
Total Building Sq. ft. (after addtn demos)	7,200
Current Assessment \$ / Sq. ft.	\$ 30
Const. value captured by assessment	\$ 50
Current FMV (2016)	\$ 463,560
Future FMV (2035)	\$ 360,000
Future Equalized Assessed Value (EAV)	\$ 120,000
Base Property Tax	\$ 17,313
Future Property Tax Estimate	\$ 12,798
Loan - Stated Annual Interest Rate	4.50%
Loan - Term (years)	20

DC Cook Mansion

105 Gifford St
Construction & Fees

3/14/2018

OPTION 2 - TWO-FAMILY				
Task	Unit Cost	Quantity	\$/s.f.	Cost
Exterior - Phase 1 (Option 3)				
Building Additions Demolition			\$	125,000.00
Asbestos Inspection / Removal			\$	7,500.00
Utility Disconnection, Gas, Elect. Water			\$	500.00
Build Temp. Stairs to Entrances	\$ 1,500.00	2	\$	1,500.00
Strip Paint on Masonry Walls		5,000	\$	40,000.00
Strip Paint on Masonry Chimneys		600	\$	10,000.00
Limited Masonry repair on exposed openings			\$	10,000.00
Infill Exterior Basement Wall Openings	\$ 30.00	160	\$	4,800.00
			\$	-
			\$	-
Subtotal			\$	199,300.00
Interior - Phase 1 (Option 3)				
Interior Demolition of unwanted partitions				
Basement - Remove Ceiling		2,400	\$	3,500.00
First Floor		2,400	\$	5,000.00
Second Floor		2,400	\$	7,500.00
Third Floor, Remove all Partitions		2,400	\$	5,000.00
Building Clean Up			\$	2,000.00
Open Up Boarded Up Windows			\$	500.00
Remove All Heating, Water piping, Sprinkler				
Electrical		9,600	\$	15,000.00
Remove all Kitchen Equipment, Unwanted Cab.			\$	1,500.00
			\$	-
			\$	-
Subtotal			\$	40,000.00
PHASE 1 TOTAL				\$ 239,300.00
Exterior - Phase 2 (Option 3)				
Window Repair / Restoration				
First Floor Storms ?	\$ 400.00	14	\$	5,600.00
Second Floor Storms ?	\$ 400.00	14	\$	5,600.00
Third Floor Attic	\$ 400.00	6	\$	2,400.00
Basement			\$	-
Window Replacement				
First Floor	\$ 2,200.00	8	\$	17,600.00
Second Floor	\$ 1,500.00	3	\$	4,500.00
Third Floor Attic			\$	-
Basement	\$ 400.00	10	\$	4,000.00
Exterior Door Replacement	\$ 1,800.00	5	\$	9,000.00
Rear Porch Reconstruction			\$	15,000.00
Front Porch Reconstruction			\$	35,000.00
Strip and Reinstall New Roof		3,750	\$	70,000.00
New Turret Roof and Framing			\$	20,000.00
Replace Flat Roof, Skylight, Crown Flashing			\$	12,500.00
Masonry Repairs / Restoration			\$	30,000.00
Chimney Restoration (4)		600	\$	20,000.00
			\$	-
			\$	-
Subtotal			\$	251,200.00
Interior Phase 2 (Option 3)				
Flooring				
First Floor				
Restore Flooring	\$ 3.50	2,145	\$	7,507.50
New Flooring	\$ 10.00	255	\$	2,550.00
Second Floor				
Restore Original Flooring	\$ 3.50	2,040	\$	7,140.00
New Flooring	\$ 10.00	360	\$	3,600.00
Third Floor				
No Work				n/a
Walls				
First Floor				
Restore Plaster			\$	15,000.00
New Partitions (1) toilet/Kitchen	\$ 40.00	300	\$	12,000.00
Second Floor				
Restore Plaster			\$	15,000.00
New Partitions (3) toilets / (4) closets	\$ 40.00	280	\$	11,200.00
Third Floor				
No Work				n/a
Doors and Trim				
First Floor				
Restore Existing Doors & Hardware	\$ 1,100.00	4	\$	4,400.00
Replace Doors and some Trim & Hardware	\$ 900.00	17	\$	15,300.00
Second Floor				
Restore Existing Doors & Hardware	\$ 1,100.00	12	\$	13,200.00
Replace Doors and some Trim & Hardware	\$ 900.00	7	\$	6,300.00
Third Floor				
No Work				n/a
Ceilings				
First Floor				
Restore Plaster	\$ 10.00	900	\$	9,000.00
Install New Ceilings	\$ 8.00	1,500	\$	12,000.00
Second Floor				
Restore Plaster	\$ 10.00	800	\$	8,000.00
Install New Ceilings	\$ 8.00	900	\$	7,200.00
Third Floor				
No Work				n/a
New Toilets				
First Floor	\$ 2,500.00	2	\$	5,000.00
Second Floor	\$ 5,000.00	4	\$	20,000.00
Basement	\$ 1,000.00	1	\$	1,000.00
Painting				
First Floor	\$ 1.25	8,500	\$	10,625.00
Second Floor	\$ 1.25	10,000	\$	12,500.00
Basement	\$ 1.00	2,400	\$	2,400.00
Refinish Woodwork				
First Floor Door & Window openings	\$ 175.00	40	\$	7,000.00
First Floor Baseboard	\$ 5.00	900	\$	4,500.00
Second Floor Door & Window openings	\$ 100.00	60	\$	6,000.00
Second Floor Baseboard	\$ 3.00	900	\$	2,700.00
Basement			\$	-
First Floor Fireplace Replacement, Reinstallation	\$ 7,500.00	2	\$	15,000.00
Reinstall 2nd Floor Fireplaces	\$ 500.00	4	\$	2,000.00
Rear Stair Repair/ Reconstruction / Relocate			\$	15,000.00
Main Staircase, Repair add Railing 2nd Fl	\$ 300.00	16	\$	4,800.00
Main Staircase, Reconstruct				
New Kitchen			\$	60,000.00
Insulate Attic	\$ 3.00	6,000	\$	18,000.00
Insulate Exterior Walls	\$ 2.50	9,800	\$	24,500.00
			\$	-
New Mech/ HVAC	\$ 11.10	7,200	\$	79,920.00
New Electrical Service, Wiring, Lighting	\$ 18.75	4,800	\$	90,000.00
New Plumbing	\$ 12.50	4,800	\$	60,000.00
			\$	-
			\$	-

DC Cook Mansion

Subtotal			\$	590,342.50
Site Improvements Phase 2 (Option 3)				
Remove Remaining Drives and Parking Areas			\$	10,000.00
Infill Grade from Demolition of Additions			\$	5,000.00
Install new Walks and Drive			\$	9,500.00
Build New Garage/ Carriage House			\$	35,000.00
Landscaping and Seeding			\$	16,000.00
			\$	-
			\$	-
Subtotal			\$	75,500.00
PHASE 2 TOTAL				\$ 917,042.50
PHASE 1 & PHASE 2 TOTAL				\$ 1,156,342.50
Contractor Overhead & Profit (8%)			\$	92,507.40
Construction Contingency (10%)			\$	115,634.25
OPTION 2 GRAND TOTAL				\$ 1,364,484.15
Acquisition Costs				
Acquisition			\$	1
Closing Costs			\$	2,500
Subtotal			\$	2,501
Soft Costs				
Architecture/Engineering Fees (6%)			\$	69,381
HTC Consulting (0.6%)			\$	6,938
Building Permit (1%)			\$	11,563
Subtotal			\$	87,882
Financing Costs				
Construction Loan Interest (4.5% to account for 6 month const. period)			\$	69,381
Construction Loan Fees (1%)			\$	11,563
Permanent Loan Fees/Closing Costs (0.25%)			\$	2,891
Title & Recording Costs			\$	2,500
Subtotal			\$	86,335
OPTION 2 DEVELOPMENT COSTS TOTAL				\$ 1,541,202

HISTORIC TAX CREDIT CALC	
Amount	
Historic Tax Credits	
Federal HTC	20%
Discount rate	\$ 0.72
TOTAL FEDERAL HTC CREDIT	\$ 166,513
State HTC	25%
Discount rate	\$ 0.75
TOTAL STATE HTC CREDIT	\$ 216,814

SOURCES		Percentage of Total
Amount		
Sources		
Private Equity	\$ 77,060	5%
Sweat Equity (highlighted items)	\$ 25,000	2%
Conventional Loan	\$ 602,216	39%
Federal HTCs	\$ 166,513	11%
State HTCs	\$ 216,814	14%
Façade improvement program	\$ 40,000	3%
5 year tax rebate (City portion only)	\$ 12,798	1%
City participation	\$ 50,000	3%
Donation of landscaping material with volunteer install	\$ 16,000	1%
DC Cook Gift	\$ -	0%
Sale	\$ 360,000	23%
Minus Realtor Fee (7% of sale)	\$ (25,200)	-2%
TOTAL SOURCES \$ 1,541,202		100%

ASSUMPTIONS	
Total Building Sq. ft. (after addtn demos)	7,200
Current Assessment \$ / Sq. ft.	\$ 30
Const. value captured by assessment	\$ 50
Current FMV (2016)	\$ 463,560
Future FMV (2035)	\$ 360,000
Future Equalized Assessed Value (EAV)	\$ 120,000
Base Property Tax	\$ 17,313
Future Property Tax Estimate	\$ 12,798
Loan - Stated Annual Interest Rate	4.50%
Loan - Term (years)	20
Loan - Annual Mortgage	\$ 46,296
Annual Rent for 2nd Floor (\$1.00/sf)	\$ 28,800

DC Cook Mansion

105 Gifford St

Option 3 - Restoration and Use as a Bed and Breakfast

3/14/2018

Property Valuation	Total
Total Building Sq. ft. <i>(after addtn demos)</i>	7,200
Current Assessment \$ / Sq. ft.	30.27 <i>current SF at 15,312</i>
Const. value captured by assessment	55.00
Current FMV (2016)	463,560
Future FMV (2035)	396,000
Future Equalized Assessed Value (EAV)	132,000
Base Property Tax	17,313
Future Property Tax Estimate	14,078

Financial Input

Annual Gross Potential Rent, first year	408,800
Operating Expenses, first year	61,002
Loan to Value ratio	80%
Stated Annual Interest rate	4.50%
Loan Term (years)	20

Project Financing

Loan Amount	450,773
Equity Required	323,070
Mortgage Loan Constant	7.69%
Historic Tax Credits	314,035
Total Development Costs	1,615,349
Total Sources	1,615,349

Tax Increment Input

Current Property Tax	17,313
Future Property Tax	14,078
Remaining TIF Levy Years	19
Projected TIF Equity	(61,469)
TIF Factor	0%
Net TIF Proceeds	-

105 Gifford St

Option 3 - Restoration and Use as a Bed and Breakfast

Development Costs

	Total
Land Costs	Costs
Acquisition Costs	1
Closing Costs	2000
Appraisal	0
Holding Costs	
Total Land Costs	2,001

Fees/Permits/Studies

Building Fees and Permits	1.00%	12,115
Surveys/Soils/Variance	0.30%	3,635
Environmental (Phase I)		
Arch/Eng. Design	6.00%	72,692
HTC Consult.	0.60%	7,269
Arch & Eng. Reimb.	0.11%	1,333
Total F/P/S Costs		97,044

Direct Construction Costs

Building Construction	1,211,533
Sales tax rebate on building materials	(49,976)
Contractor's Overhead/Profit	96,923
Construction Contingency	121,153
Total Direct Constr. Costs	1,379,633

Indirect Construction Costs

Project/Construction Manager	1.00%	-
Builder's Risk/Liability Insurance	2.00%	27,593
Real Estate Taxes		17,313
Legal	0.50%	6,058
Relocation Costs	0.00%	-
Total Indirect Const. Costs		50,963

Rent-Up Costs

Marketing/Advertising Expense	0.10%	1,380
Lease-Up Reserve	0.00%	-
Total Rent-Up Costs		1,380

Financing Costs

Construction Loan Interest	4.50%	62,083
Construction Loan Fees	1.00%	13,796
Construction Lender Legal	0.00%	-
Permanent Loan Fees/Closing Costs	0.25%	3,449
Title & Recording Costs		5,000
Total Financing Costs		84,329

Development Costs Subtotal	1,613,348
Site Costs Subtotal	2,001
Total Development Costs (Pre Dev. Fee)	1,615,349

Deferred Developer Fee	0.00%	-	<u>Cost/SF</u>
Total Development Costs		1,615,349	\$224

OPTION 3 - FULL RENOVATION FOR B&B			
		Quantity	
Task	Unit Cost	\$/s.f.	Cost
Exterior - Phase 1 (Option 1)			
Building Additions Demolition			\$ 125,000.00
Asbestos Inspection / Removal			\$ 7,500.00
Utility Disconnection, Gas, Elect. Water			\$ 500.00
Build Temp. Stairs to Entrances	\$ 1,500.00	2	\$ 1,500.00
Strip Paint on Masonry Walls		5,000	\$ 40,000.00
Strip Paint on Masonry Chimneys		600	\$ 10,000.00
Limited Masonry repair on exposed openings			\$ 10,000.00
Infill Exterior Basement Wall Openings	\$ 30.00	160	\$ 4,800.00
			\$ -
			\$ -
Subtotal			\$ 199,300.00
Interior - Phase 1 (Option 1)			
Interior Demolition of unwanted partitions			
Basement - Remove Ceiling		2,400	\$ 5,000.00
First Floor		2,400	\$ 5,000.00
Second Floor		2,400	\$ 5,000.00
Third Floor, Remove all Partitions		2,400	\$ 7,000.00
Building Clean Up			\$ 2,000.00
Open Up Boarded Up Windows			\$ 500.00
Remove All Heating, Water piping, Sprinkler			
Electrical		9,600	\$ 15,000.00
Remove all Kitchen Equipment, Unwanted Cab.			\$ 1,500.00
			\$ -
			\$ -
Subtotal			\$ 41,000.00
PHASE 1 TOTAL			\$ 240,300.00
Exterior - Phase 2 (Option 1)			
Window Repair / Restoration			
First Floor Storms ?	\$ 400.00	14	\$ 5,600
Second Floor Storms ?	\$ 400.00	14	\$ 5,600
Third Floor Attic	\$ 400.00	6	\$ 2,400
Basement			\$ -
Window Replacement			
First Floor	\$ 2,200.00	8	\$ 17,600
Second Floor	\$ 1,500.00	3	\$ 4,500
Third Floor Attic			\$ -
Basement	\$ 400.00	10	\$ 4,000
Exterior Door Replacement	\$ 1,800.00	5	\$ 9,000
Rear Porch Reconstruction			\$ 15,000
Front Porch Reconstruction			\$ 35,000
Strip and Reinstall New Roof		3,750	\$ 70,000
New Turret Roof and Framing			\$ 20,000
Replace Flat Roof, Skylight, Crown Flashing			\$ 12,500
Masonry Repairs / Restoration			\$ 30,000
Chimney Restoration (4)		600	\$ 20,000
			\$ -
			\$ -
Subtotal			\$ 251,200
Interior Phase 2 (Option 1)			
Flooring			
First Floor			
Restore Flooring	\$ 6.50	2,145	\$ 13,943
New Flooring	\$ 12.00	255	\$ 3,060
Second Floor			
Restore Original Flooring	\$ 6.50	2,040	\$ 13,260
New Flooring	\$ 12.00	360	\$ 4,320
Third Floor			
No Work			n/a
Walls			
First Floor			
Restore Plaster			\$ 15,000
New Partitions (1) toilet/Kitchen	\$ 35.00	300	\$ 10,500
Second Floor			
Restore Plaster			\$ 15,000
New Partitions (3) toilets / (4) closets	\$ 35.00	280	\$ 9,800
Third Floor			
No Work			n/a
Doors and Trim			
First Floor			
Restore Existing Doors & Hardware	\$ 1,500.00	4	\$ 6,000
Replace Doors and some Trim & Hardware	\$ 1,500.00	17	\$ 25,500
Second Floor			
Restore Existing Doors & Hardware	\$ 1,000.00	12	\$ 12,000
Replace Doors and some Trim & Hardware	\$ 1,500.00	7	\$ 10,500
Third Floor			
No Work			n/a
Ceilings			
First Floor			
Restore Plaster	\$ 15.00	900	\$ 13,500
Install New Ceilings	\$ 10.50	1,500	\$ 15,750
Second Floor			
Restore Plaster	\$ 15.00	800	\$ 12,000
Install New Ceilings	\$ 10.50	900	\$ 9,450
Third Floor			
No Work			n/a
New Toilets			
First Floor	\$ 2,000.00	3	\$ 6,000
Second Floor	\$ 8,000.00	4	\$ 32,000
Basement	\$ 2,000.00	1	\$ 2,000
Painting			
First Floor	\$ 2.50	8,500	\$ 21,250
Second Floor	\$ 1.50	10,000	\$ 15,000
Basement	\$ 1.25	2,400	\$ 3,000
Refinish Woodwork			
First Floor Door & Window openings	\$ 150.00	40	\$ 6,000
First Floor Baseboard	\$ 7.00	900	\$ 6,300
Second Floor Door & Window openings	\$ 150.00	60	\$ 9,000
Second Floor Baseboard	\$ 7.00	900	\$ 6,300
Basement			\$ -
First Floor Fireplace Replacement, Reinstall	\$ 8,000.00	4	\$ 32,000
Reinstall 2nd Floor Fireplaces	\$ 500.00	4	\$ 2,000
Rear Stair Repair/ Reconstruction			\$ 4,000
Main Staircase, Repair add Railing 2nd Fl	\$ 300.00	16	\$ 4,800
Main Staircase, Reconstruct			
New Kitchen			\$ 30,000
Insulate Attic	\$ 3.00	6,000	\$ 18,000
Insulate Exterior Walls	\$ 2.50	9,800	\$ 24,500
			\$ -
			\$ -
New Mech/ HVAC	\$ 11.00	7,200	\$ 79,200
New Electrical Service, Wiring, Lighting	\$ 17.00	4,800	\$ 81,600
New Plumbing	\$ 15.00	4,800	\$ 72,000
			\$ -
			\$ -
Subtotal			\$ 644,533
Site Improvements Phase 2 (Option 1)			
Remove Remaining Drives and Parking Areas			\$ 10,000
Infill Grade from Demolition of Additions			\$ 7,500
Install new Walks and Drive			\$ 8,000
Build New Garage/ Carriage House			\$ 35,000
Landscaping and Seeding			\$ 15,000
			\$ -
			\$ -
Subtotal			\$ 75,500
PHASE 2 TOTAL			\$ 971,233
PHASE 1 & PHASE 2 TOTAL			\$ 1,211,533
Sales tax rebate on building materials			\$ (49,976)
Contractor Overhead & Profit (8%)			\$ 96,923
Construction Contingency (10%)			\$ 121,153
OPTION 3 GRAND TOTAL			\$ 1,379,633

105 Gifford St

Option 3 - Restoration and Use as a Bed and Breakfast

Operating Expenses

	Monthly	Annual	% Total	% of Annual G.O.I
Management				
Property Management Fee	417	5,000		5.30%
Security	85	1,022		0.25%
Total Management	502	6,022		
Administration				
Marketing	83	1,000		0.43%
Accounting	170	2,044		0.50%
Legal	170	2,044		0.50%
Total Administration	424	5,088		2.49%
Maintenance				
Supplies	341	4,088		1.00%
Repairs Contract	188	2,250		1.00%
Pest Control	33	400		0.10%
Grounds Contract (i.e., snow remc	67	800		0.43%
Interior Painting	341	4,088		1.00%
Total Maintenance	969	11,626		5.40%
Utilities Not Paid by Tenants				
Trash Removal	85	1,022		0.25%
Water/Sewer	426	5,110		1.25%
Gas	426	5,110		1.25%
Electric	681	8,176		2.00%
Total Utilities	937	19,418		
Insurance				
Property & Liability Insurance	250	1,500		1.29%
Total Insurance	250	1,500		1.29%
Taxes				
Real Estate Taxes	1,173	14,078		3.44%
Total Taxes	1,173	14,078		
Contingency	273	3,270		0.80%
Total Operating Expenses	4,527	61,002		
Total Gross Operating Income	34,067	408,800		

105 Gifford St

Option 3 - Restoration and Use as a Bed and Breakfast

Rent Schedule

Airbnb	# of Keys	Nightly Rate	Monthly Income	Annual Income
1st Fl	3	160.00	14,400	175,200
2nd Fl	4	160.00	19,200	233,600
TOTAL GROSS INCOME				408,800

105 Gifford St

Option 3 - Restoration and Use as a Bed and Breakfast

Tax Credit Analysis

Uses	Total Costs	Federal HTC Eligible	State HTC Eligible
Land/Acquisition Costs	2,001 -		0
Fees/Permits/Studies	97,044	97,044	97,044
Direct Construction Costs	1,379,633	1,379,633	1,379,633
Indirect Construction Costs	50,963	50,963	50,963
Rent-Up Costs	1,380 -		0
Financing Costs	84,329	84,329	84,329
Developer Fee	-	-	-
Total Uses	1,615,349	1,611,969	1,611,969

Historic Tax Credits	Federal HTCs	State HTCs
Tax Credit Allowable	1,611,969	1,611,969
Tax Credit %	20%	25%
x tax credit factor	\$ 0.85	\$ 0.80
net proceeds raised	274,035	322,394

Sources	Total Estimate	
Private Equity	323,070	20%
Sweat Equity (highlighted items in CC)	26,000	
Conventional Loan	450,773	28%
Federal HTCs	274,035	17%
State HTCs	322,394	
Façade improvement program	40,000	2%
5 Year Tax Rebate	14,078	
City participation	50,000	
Donation of landscaping material with volunteer install	15,000	
DC Cook Gift	100,000	6%
Total Sources	1,615,349	

105 Gifford St
Option 3 - Restoration and Use as a Bed and Breakfast

Cash Flow Analysis																					
Assumptions																					
Income Inflation	1.75%																				
Vacancy Rate - Airbnb	32.00%																				
Operation Expense Inflation Factor	3.20%																				
	Year 1 2018	Year 2 2019	Year 3 2020	Year 4 2021	Year 5 2022	Year 6 2023	Year 7 2024	Year 8 2025	Year 9 2026	Year 10 2027	Year 11 2028	Year 12 2029	Year 13 2030	Year 14 2031	Year 15 2032	Year 16 2033	Year 17 2034	Year 18 2035	Year 19 2036	Year 20 2037	
Income																					
Airbnb	175,200	178,266	181,386	184,560	187,790	191,076	194,420	197,822	201,284	204,807	208,391	212,038	215,748	219,524	223,365	227,274	231,252	235,299	239,416	243,606	
Gross Income	175,200	178,266	181,386	184,560	187,790	191,076	194,420	197,822	201,284	204,807	208,391	212,038	215,748	219,524	223,365	227,274	231,252	235,299	239,416	243,606	
Vacancy - Residential	(56,064)	(57,045)	(58,043)	(59,059)	(60,093)	(61,144)	(62,214)	(63,303)	(64,411)	(65,538)	(66,685)	(67,852)	(69,039)	(70,248)	(71,477)	(72,728)	(74,001)	(75,296)	(76,613)	(77,954)	
Effective Gross Income	119,136	121,221	123,342	125,501	127,697	129,932	132,205	134,519	136,873	139,268	141,706	144,186	146,709	149,276	151,888	154,547	157,251	160,003	162,803	165,652	
Add back tax increment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Gross Income	119,136	121,221	123,342	125,501	127,697	129,932	132,205	134,519	136,873	139,268	141,706	144,186	146,709	149,276	151,888	154,547	157,251	160,003	162,803	165,652	
Operating Expenses																					
Operating Expenses	(61,002)	(62,954)	(64,969)	(67,048)	(69,193)	(71,408)	(73,693)	(76,051)	(78,484)	(80,996)	(83,588)	(86,263)	(89,023)	(91,872)	(94,812)	(97,846)	(100,977)	(104,208)	(107,542)	(110,984)	
NOI Before Debt Service	58,134	58,267	58,373	58,453	58,504	58,524	58,513	58,468	58,389	58,273	58,118	57,923	57,686	57,405	57,077	56,701	56,275	55,795	55,261	54,668	
Cash Available for Debt Service	58,134	58,267	58,373	58,453	58,504	58,524	58,513	58,468	58,389	58,273	58,118	57,923	57,686	57,405	57,077	56,701	56,275	55,795	55,261	54,668	
Permanent Loan Debt Service	(34,654)	(34,654)	(34,654)	(34,654)	(34,654)	(34,654)	(34,654)	(34,654)	(34,654)	(34,654)	(34,654)	(34,654)	(34,654)	(34,654)	(34,654)	(34,654)	(34,654)	(34,654)	(34,654)	(34,654)	
Cash Flow After Debt Service	23,480	23,613	23,720	23,799	23,850	23,870	23,859	23,815	23,735	23,619	23,464	23,269	23,032	22,751	22,423	22,047	21,621	21,141	20,607	20,015	
Deferred Developer Fee	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0	0	
Cash Available for Distribution	23,480	23,613	23,720	23,799	23,850	23,870	23,859	23,815	23,735	23,619	23,464	23,269	23,032	22,751	22,423	22,047	21,621	21,141	20,607	20,015	
Purchasing Power Adjustment	103%	106%	109%	112%	115%	118%	121%	124%	127%	130%	133%	136%	139%	142%	145%	148%	151%	154%	157%	160%	
NPV Real Cash Flow to Owner	22,796	22,276	21,761	21,249	20,739	20,229	19,718	19,205	18,689	18,168	17,642	17,110	16,570	16,022	15,464	14,897	14,318	13,728	13,125	12,509	
Loan Amortization Schedule																					
Balance Owed, beginning of year	450,773	436,404	421,389	405,698	389,300	372,165	354,259	335,547	315,993	295,559	274,205	251,891	228,572	204,204	178,739	152,129	124,321	95,262	64,895	33,161	
Annual Mortgage Payment	34,654	34,654	34,654	34,654	34,654	34,654	34,654	34,654	34,654	34,654	34,654	34,654	34,654	34,654	34,654	34,654	34,654	34,654	34,654	34,654	
Interest Portion of Payment	(20,285)	(19,638)	(18,962)	(18,256)	(17,519)	(16,747)	(15,942)	(15,100)	(14,220)	(13,300)	(12,339)	(11,335)	(10,286)	(9,189)	(8,043)	(6,846)	(5,594)	(4,287)	(2,920)	(1,492)	
Amortization of principal	14,369	15,016	15,691	16,397	17,135	17,906	18,712	19,554	20,434	21,354	22,314	23,319	24,368	25,465	26,610	27,808	29,059	30,367	31,733	33,161	
Balance Owed, end of year	436,404	421,389	405,698	389,300	372,165	354,259	335,547	315,993	295,559	274,205	251,891	228,572	204,204	178,739	152,129	124,321	95,262	64,895	33,161	(0)	
Down Payment/Reversion	(323,070)																				
Cash on cash R.O.I	7%	7.31%	7.34%	7.37%	7.38%	7.39%	7.39%	7.37%	7.35%	7.31%	7.26%	7.20%	7.13%	7.04%	6.94%	6.82%	6.69%	6.54%	6.38%	6.20%	
Debt-Service Coverage Ratio	1.68	1.68	1.68	1.69	1.69	1.69	1.69	1.69	1.68	1.68	1.68	1.67	1.66	1.66	1.65	1.64	1.62	1.61	1.59		