

Feasibility Proforma

Annandale School: Affordable Housing and Community Center
Fall 2013



OVERALL ASSUMPTIONS: AFFORDABLE HOUSING AND COMMUNITY CENTER					
Building Program	SF	Initial Monthly Rent ¹	Leased Starting in Year		
Second Floor					
Apt 2BR	1,222	888.80	2		
Apt 2BR	1,209	888.80	2		
Apt 2BR	1,189	888.80	2		
Apt 2BR	1,176	888.80	2		
Apt 1.5BR	1,065	741.60	2		
Apt 1.5BR	950	741.60	2		
Apt 1BR	1,050	741.60	2		
Apt 1BR	713	741.60	2		
First Floor					
Apt 2BR	1,223	888.80	3	Phasing:	Square Feet Leased in Year 1 11,812
Apt 2BR	1,200	888.80	3		Square Feet Leased in Year 2 8,574
Apt 2BR	1,189	888.80	3		Square Feet Leased in Year 3 9,962
Apt 2BR	1,182	888.80	3		Square Feet Leased in Year 4 -
Apt 1BR	1,062	741.60	3		Square Feet Leased in Year 5+ -
Apt 1BR	997	741.60	3		Total 30,348
Community Room	970	-	3		
Apt Studio	713	692.00	3		
Apt 1BR	713	741.60	3		
Apt 1BR	713	741.60	3		
Basement					
Studio/Classroom	1,620	810.00	1		
Studio/Classroom	1,611	805.50	1		
Studio/Classroom	1,423	711.50	1		
Studio/Classroom	1,269	634.50	1		
Studio/Classroom	1,090	545.00	1		
Gymnasium	4,190	1,500.00	1		
Air Handling Equipment	609	-	1		
Unused/Mothballed GSF	-				
Total	30,348	18,742			
Financial Terms					
Capital Structure					
Developer Rehab Cost of Capital (20-Year Amortization)	5.50%				
Cash Flow					
Annual Expense Per GSF	5.00 ²				
Annual Rent Escalation	2.00%				
Annual Expense Increase	2.00%				
Long-Term Vacancy Rate	6.00%				
Notes					
(1)	Lease rates for housing are 80% of limits based on \$83,900 areawide median income for 2013; \$6.00/foot for studio/classroom space; \$1,500/month for gymnasium uses.				
(2)	Includes operating expenses and property taxes.				

PROFORMA: AFFORDABLE HOUSING AND COMMUNITY CENTER																	
		DONJEK		Sq Ft		Year											
Program		1	2	3	4	5	6	7	8	9	10	11	12	13			
Second Floor																	
	Apt 2BR	1,222	-	10,666	10,879	11,096	11,318	11,545	11,776	12,011	12,251	12,496	12,746	13,001	13,261		
	Apt 2BR	1,209	-	10,666	10,879	11,096	11,318	11,545	11,776	12,011	12,251	12,496	12,746	13,001	13,261		
	Apt 2BR	1,189	-	10,666	10,879	11,096	11,318	11,545	11,776	12,011	12,251	12,496	12,746	13,001	13,261		
	Apt 2BR	1,176	-	10,666	10,879	11,096	11,318	11,545	11,776	12,011	12,251	12,496	12,746	13,001	13,261		
	Apt 1.5BR	1,065	-	8,899	9,077	9,259	9,444	9,633	9,825	10,022	10,222	10,427	10,635	10,848	11,065		
	Apt 1.5BR	950	-	8,899	9,077	9,259	9,444	9,633	9,825	10,022	10,222	10,427	10,635	10,848	11,065		
	Apt 1BR	1,050	-	8,899	9,077	9,259	9,444	9,633	9,825	10,022	10,222	10,427	10,635	10,848	11,065		
	Apt 1BR	713	-	8,899	9,077	9,259	9,444	9,633	9,825	10,022	10,222	10,427	10,635	10,848	11,065		
First Floor																	
	Apt 2BR	1,223	-	-	10,666	10,879	11,096	11,318	11,545	11,776	12,011	12,251	12,496	12,746	13,001		
	Apt 2BR	1,200	-	-	10,666	10,879	11,096	11,318	11,545	11,776	12,011	12,251	12,496	12,746	13,001		
	Apt 2BR	1,189	-	-	10,666	10,879	11,096	11,318	11,545	11,776	12,011	12,251	12,496	12,746	13,001		
	Apt 2BR	1,182	-	-	10,666	10,879	11,096	11,318	11,545	11,776	12,011	12,251	12,496	12,746	13,001		
	Apt 1BR	1,062	-	-	8,899	9,077	9,259	9,444	9,633	9,825	10,022	10,222	10,427	10,635	10,848		
	Apt 1BR	997	-	-	8,899	9,077	9,259	9,444	9,633	9,825	10,022	10,222	10,427	10,635	10,848		
	Community Room	970	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Apt Studio	713	-	-	8,304	8,470	8,639	8,812	8,989	9,168	9,352	9,539	9,729	9,924	10,123		
	Apt 1BR	713	-	-	8,899	9,077	9,259	9,444	9,633	9,825	10,022	10,222	10,427	10,635	10,848		
	Apt 1BR	713	-	-	8,899	9,077	9,259	9,444	9,633	9,825	10,022	10,222	10,427	10,635	10,848		
Basement																	
	Studio/Classroom	1,620	9,720	9,914	10,113	10,315	10,521	10,732	10,946	11,165	11,389	11,616	11,849	12,086	12,327		
	Studio/Classroom	1,611	9,666	9,859	10,057	10,258	10,463	10,672	10,885	11,103	11,325	11,552	11,783	12,018	12,259		
	Studio/Classroom	1,423	8,538	8,709	8,883	9,061	9,242	9,427	9,615	9,807	10,004	10,204	10,408	10,616	10,828		
	Studio/Classroom	1,269	7,614	7,766	7,922	8,080	8,242	8,406	8,575	8,746	8,921	9,099	9,281	9,467	9,656		
	Studio/Classroom	1,090	6,540	6,671	6,804	6,940	7,079	7,221	7,365	7,512	7,663	7,816	7,972	8,132	8,294		
	Gymnasium	4,190	18,000	18,360	18,727	19,102	19,484	19,873	20,271	20,676	21,090	21,512	21,942	22,381	22,828		
	Air Handling Equipment	609	-	-	-	-	-	-	-	-	-	-	-	-	-		
Unused/Mothballed GSF		-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total		30,348	60,078	139,539	228,893	233,471	238,140	242,903	247,761	252,716	257,770	262,926	268,184	273,548	279,019		
Expenses																	
Vacancy Allowance			(3,605)	(8,372)	(13,734)	(14,008)	(14,288)	(14,574)	(14,866)	(15,163)	(15,466)	(15,776)	(16,091)	(16,413)	(16,741)		
Aggregate Expense for Active Uses (incl. operating, taxes)			(154,775)	(157,870)	(161,028)	(164,248)	(167,533)	(170,884)	(174,302)	(177,788)	(181,343)	(184,970)	(188,670)	(192,443)	(196,292)		
Total Expenses (incl. operating, taxes)			(158,379)	(166,243)	(174,761)	(178,256)	(181,822)	(185,458)	(189,167)	(192,951)	(196,810)	(200,746)	(204,761)	(208,856)	(213,033)		
Operating Income			(98,301)	(26,704)	54,131	55,214	56,318	57,445	58,594	59,766	60,961	62,180	63,424	64,692	65,986		
Operating Income / 1.1x coverage			-	-	49,210	50,195	51,199	52,222	53,267	54,332	55,419	56,527	57,658	58,811	59,987		
Present Value of NOI for Borrowing Capacity			-	-	44,213	42,746	41,328	39,957	38,632	37,350	36,111	34,913	33,755	32,635	31,552		

PROFORMA: AFFORDABLE HOUSING AND COMMUNITY CENTER										
DONJEK										
Sq Ft										
Program	14	15	16	17	18	19	20	TOTAL		
Second Floor										
Apt 2BR	1,222	13,527	13,797	14,073	14,354	14,642	14,934	15,233	243,608	
Apt 2BR	1,209	13,527	13,797	14,073	14,354	14,642	14,934	15,233	243,608	
Apt 2BR	1,189	13,527	13,797	14,073	14,354	14,642	14,934	15,233	243,608	
Apt 2BR	1,176	13,527	13,797	14,073	14,354	14,642	14,934	15,233	243,608	
Apt 1.5BR	1,065	11,286	11,512	11,742	11,977	12,217	12,461	12,710	203,263	
Apt 1.5BR	950	11,286	11,512	11,742	11,977	12,217	12,461	12,710	203,263	
Apt 1BR	1,050	11,286	11,512	11,742	11,977	12,217	12,461	12,710	203,263	
Apt 1BR	713	11,286	11,512	11,742	11,977	12,217	12,461	12,710	203,263	
First Floor										
Apt 2BR	1,223	13,261	13,527	13,797	14,073	14,354	14,642	14,934	228,375	
Apt 2BR	1,200	13,261	13,527	13,797	14,073	14,354	14,642	14,934	228,375	
Apt 2BR	1,189	13,261	13,527	13,797	14,073	14,354	14,642	14,934	228,375	
Apt 2BR	1,182	13,261	13,527	13,797	14,073	14,354	14,642	14,934	228,375	
Apt 1BR	1,062	11,065	11,286	11,512	11,742	11,977	12,217	12,461	190,552	
Apt 1BR	997	11,065	11,286	11,512	11,742	11,977	12,217	12,461	190,552	
Community Room	970	-	-	-	-	-	-	-	-	
Apt Studio	713	10,325	10,531	10,742	10,957	11,176	11,400	11,628	177,808	
Apt 1BR	713	11,065	11,286	11,512	11,742	11,977	12,217	12,461	190,552	
Apt 1BR	713	11,065	11,286	11,512	11,742	11,977	12,217	12,461	190,552	
Basement										
Studio/Classroom	1,620	12,574	12,825	13,082	13,343	13,610	13,883	14,160	236,170	
Studio/Classroom	1,611	12,504	12,754	13,009	13,269	13,535	13,805	14,082	234,858	
Studio/Classroom	1,423	11,045	11,266	11,491	11,721	11,955	12,194	12,438	207,451	
Studio/Classroom	1,269	9,850	10,047	10,247	10,452	10,661	10,875	11,092	185,000	
Studio/Classroom	1,090	8,460	8,629	8,802	8,978	9,158	9,341	9,528	158,905	
Gymnasium	4,190	23,285	23,751	24,226	24,710	25,204	25,708	26,223	437,353	
Air Handling Equipment	609	-	-	-	-	-	-	-	-	
Unused/Mothballed GSF	-	-	-	-	-	-	-	-	-	
Total	30,348	284,599	290,291	296,097	302,019	308,059	314,221	320,505	5,100,740	
Expenses										
Vacancy Allowance		(17,076)	(17,417)	(17,766)	(18,121)	(18,484)	(18,853)	(19,230)	(306,044)	
Aggregate Expense for Active Uses (incl. operating, taxes)		(200,218)	(204,222)	(208,307)	(212,473)	(216,722)	(221,057)	(225,478)	(3,760,621)	
Total Expenses (incl. operating, taxes)		(217,294)	(221,640)	(226,072)	(230,594)	(235,206)	(239,910)	(244,708)	(4,066,665)	
Operating Income		67,306	68,652	70,025	71,425	72,854	74,311	75,797	1,034,075	
Operating Income / 1.1x coverage		61,187	62,411	63,659	64,932	66,231	67,555	68,906	1,053,709	
Present Value of NOI for Borrowing Capacity		30,505	29,493	28,515	27,569	26,654	25,770	24,915	606,615	

Feasibility Proforma

Annandale School: Condo Housing and Community Center

Fall 2013



OVERALL ASSUMPTIONS: CONDO HOUSING AND COMMUNITY CENTER							
Building Program							
Second Floor		SF	Total Sale Price	Sold in Year			
	Apt 2BR	1,222	91,650	2			
	Apt 2BR	1,209	90,675	2			
	Apt 2BR	1,189	89,175	2			
	Apt 2BR	1,176	88,200	2			
	Apt 1.5BR	1,065	79,875	2			
	Apt 1.5BR	950	71,250	2			
	Apt 1BR	1,050	78,750	2			
	Apt 1BR	713	53,475	2			
First Floor						Phasing:	
	Apt 2BR	1,223	91,725	3		Square Feet Occupied in Year 1	11,812
	Apt 2BR	1,200	90,000	3		Square Feet Occupied in Year 2	8,574
	Apt 2BR	1,189	89,175	3		Square Feet Occupied in Year 3	9,962
	Apt 2BR	1,182	88,650	3		Square Feet Occupied in Year 4	-
	Apt 1BR	1,062	79,650	3		Square Feet Occupied in Year 5+	-
	Apt 1BR	997	74,775	3		Total	30,348
	Community Room	970	-	3			
	Apt Studio	713	53,475	3			
	Apt 1BR	713	53,475	3			
	Apt 1BR	713	53,475	3			
		18,536	1,317,450				
Basement			Initial Monthly Rent ¹	Leased Starting in Year			
	Studio/Classroom	1,620	810.00	1			
	Studio/Classroom	1,611	805.50	1			
	Studio/Classroom	1,423	711.50	1			
	Studio/Classroom	1,269	634.50	1			
	Studio/Classroom	1,090	545.00	1			
	Gymnasium	4,190	1,500.00	1			
	Air Handling Equipment	609	-	1			
Unused/Mothballed GSF		-					
Total		30,348					
Financial Terms							
<u>Capital Structure</u>							
Developer Rehab Cost of Capital (20-Year Amortization)		5.50%					
<u>Cash Flow</u>							
Annual Expense Per GSF (Used Space)		5.00%	Includes operating expenses and property taxes				
Annual Expense Per GSF (Unused Space)		2.00%	Includes operating expenses and property taxes				
Annual Rent Escalation		2.00%					
Annual Expense Increase		2.00%					
Long-Term Vacancy Rate		6.00%					
Notes							
(1) Condo sales based on Wright County recent sales; lease rates reflect \$6.00/foot for studio/classroom space; \$1,500/month for gymnasium uses.							

PROFORMA: CONDO HOUSING AND COMMUNITY CENTER															
		DONJEK		Year											
		Sq Ft	1	2	3	4	5	6	7	8	9	10	11	12	13
Program															
Second Floor															
	Apt 2BR	1,222	-	91,650	-	-	-	-	-	-	-	-	-	-	-
	Apt 2BR	1,209	-	90,675	-	-	-	-	-	-	-	-	-	-	-
	Apt 2BR	1,189	-	89,175	-	-	-	-	-	-	-	-	-	-	-
	Apt 2BR	1,176	-	88,200	-	-	-	-	-	-	-	-	-	-	-
	Apt 1.5BR	1,065	-	79,875	-	-	-	-	-	-	-	-	-	-	-
	Apt 1.5BR	950	-	71,250	-	-	-	-	-	-	-	-	-	-	-
	Apt 1BR	1,050	-	78,750	-	-	-	-	-	-	-	-	-	-	-
	Apt 1BR	713	-	53,475	-	-	-	-	-	-	-	-	-	-	-
First Floor															
	Apt 2BR	1,223	-	-	91,725	-	-	-	-	-	-	-	-	-	-
	Apt 2BR	1,200	-	-	90,000	-	-	-	-	-	-	-	-	-	-
	Apt 2BR	1,189	-	-	89,175	-	-	-	-	-	-	-	-	-	-
	Apt 2BR	1,182	-	-	88,650	-	-	-	-	-	-	-	-	-	-
	Apt 1BR	1,062	-	-	79,650	-	-	-	-	-	-	-	-	-	-
	Apt 1BR	997	-	-	74,775	-	-	-	-	-	-	-	-	-	-
	Community Room	970	-	-	-	-	-	-	-	-	-	-	-	-	-
	Apt Studio	713	-	-	53,475	-	-	-	-	-	-	-	-	-	-
	Apt 1BR	713	-	-	53,475	-	-	-	-	-	-	-	-	-	-
	Apt 1BR	713	-	-	53,475	-	-	-	-	-	-	-	-	-	-
Basement															
	Studio/Classroom	1,620	9,720	9,914	10,113	10,315	10,521	10,732	10,946	11,165	11,389	11,616	11,849	12,086	12,327
	Studio/Classroom	1,611	9,666	9,859	10,057	10,258	10,463	10,672	10,885	11,103	11,325	11,552	11,783	12,018	12,259
	Studio/Classroom	1,423	8,538	8,709	8,883	9,061	9,242	9,427	9,615	9,807	10,004	10,204	10,408	10,616	10,828
	Studio/Classroom	1,269	7,614	7,766	7,922	8,080	8,242	8,406	8,575	8,746	8,921	9,099	9,281	9,467	9,656
	Studio/Classroom	1,090	6,540	6,671	6,804	6,940	7,079	7,221	7,365	7,512	7,663	7,816	7,972	8,132	8,294
	Gymnasium	4,190	18,000	18,360	18,727	19,102	19,484	19,873	20,271	20,676	21,090	21,512	21,942	22,381	22,828
	Air Handling Equipment	609	-	-	-	-	-	-	-	-	-	-	-	-	-
Unused/Mothballed GSF															
	Total	30,348	60,078	704,330	736,905	63,755	65,030	66,331	67,658	69,011	70,391	71,799	73,235	74,699	76,193
Rented Space (Excludes Condos)		11,812	11,812	11,812	11,812	11,812	11,812	11,812	11,812	11,812	11,812	11,812	11,812	11,812	11,812
Expenses (Excludes Condos)															
	Vacancy Allowance		(3,605)	(42,260)	(44,214)	(3,825)	(3,902)	(3,980)	(4,059)	(4,141)	(4,223)	(4,308)	(4,394)	(4,482)	(4,572)
	Aggregate Expense for Active Uses (incl. operating, taxes)		(60,241)	(61,446)	(62,675)	(63,928)	(65,207)	(66,511)	(67,841)	(69,198)	(70,582)	(71,994)	(73,434)	(74,902)	(76,400)
	Total Expenses (incl. operating, taxes)		(63,846)	(103,706)	(106,889)	(67,754)	(69,109)	(70,491)	(71,901)	(73,339)	(74,806)	(76,302)	(77,828)	(79,384)	(80,972)
Operating Income			(3,768)	600,624	630,016	(3,999)	(4,078)	(4,160)	(4,243)	(4,328)	(4,415)	(4,503)	(4,593)	(4,685)	(4,779)

PROFORMA: CONDO HOUSING AND COMMUNITY CENTER										
DONJEK										
Sq Ft										
Program			14	15	16	17	18	19	20	TOTAL
Second Floor										
	Apt 2BR	1,222	-	-	-	-	-	-	-	91,650
	Apt 2BR	1,209	-	-	-	-	-	-	-	90,675
	Apt 2BR	1,189	-	-	-	-	-	-	-	89,175
	Apt 2BR	1,176	-	-	-	-	-	-	-	88,200
	Apt 1.5BR	1,065	-	-	-	-	-	-	-	79,875
	Apt 1.5BR	950	-	-	-	-	-	-	-	71,250
	Apt 1BR	1,050	-	-	-	-	-	-	-	78,750
	Apt 1BR	713	-	-	-	-	-	-	-	53,475
First Floor										
	Apt 2BR	1,223	-	-	-	-	-	-	-	91,725
	Apt 2BR	1,200	-	-	-	-	-	-	-	90,000
	Apt 2BR	1,189	-	-	-	-	-	-	-	89,175
	Apt 2BR	1,182	-	-	-	-	-	-	-	88,650
	Apt 1BR	1,062	-	-	-	-	-	-	-	79,650
	Apt 1BR	997	-	-	-	-	-	-	-	74,775
	Community Room	970	-	-	-	-	-	-	-	-
	Apt Studio	713	-	-	-	-	-	-	-	53,475
	Apt 1BR	713	-	-	-	-	-	-	-	53,475
	Apt 1BR	713	-	-	-	-	-	-	-	53,475
Basement										
	Studio/Classroom	1,620	12,574	12,825	13,082	13,343	13,610	13,883	14,160	236,170
	Studio/Classroom	1,611	12,504	12,754	13,009	13,269	13,535	13,805	14,082	234,858
	Studio/Classroom	1,423	11,045	11,266	11,491	11,721	11,955	12,194	12,438	207,451
	Studio/Classroom	1,269	9,850	10,047	10,247	10,452	10,661	10,875	11,092	185,000
	Studio/Classroom	1,090	8,460	8,629	8,802	8,978	9,158	9,341	9,528	158,905
	Gymnasium	4,190	23,285	23,751	24,226	24,710	25,204	25,708	26,223	437,353
	Air Handling Equipment	609	-	-	-	-	-	-	-	-
Unused/Mothballed GSF										
		-	-	-	-	-	-	-	-	-
Total		30,348	77,717	79,272	80,857	82,474	84,124	85,806	87,522	2,777,187
Rented Space (Excludes Condos)										
		11,812	11,812	11,812	11,812	11,812	11,812	11,812	11,812	
Expenses (Excludes Condos)										
	Vacancy Allowance		(4,663)	(4,756)	(4,851)	(4,948)	(5,047)	(5,148)	(5,251)	(166,631)
	Aggregate Expense for Active Uses (incl. operating, taxes)		(77,928)	(79,487)	(81,077)	(82,698)	(84,352)	(86,039)	(87,760)	(1,463,703)
	Total Expenses (incl. operating, taxes)		(82,591)	(84,243)	(85,928)	(87,647)	(89,400)	(91,188)	(93,011)	(1,630,334)
Operating Income										
			(4,874)	(4,972)	(5,071)	(5,172)	(5,276)	(5,381)	(5,489)	1,146,853