

Vacuum Oil BOA Task #1, Residential Site
12 Fenwick and 887 Exchange Street

Regular PILOT

Summary of Assumptions
11/8/2016

CONSTRUCTION COST

Cost of Land/Existing Structures (10%)	\$ 28,000	From Dorraine at City of Rochester 11/7			
Site Work (10%)	\$ 64,800	Not in \$90			
Soft Costs	\$ -	Bergmann confirmed this is included in \$90			
		SF per unit Cost per SF # Units Cost per Unit Assed Value per Unit			
Construction, Units sold	\$ -	\$ -	90	0 \$ -	
Construction, Units rented	\$ 648,000	\$ 1,200.00	90	6 \$ 108,000.00	\$ 123,466.67
Total before subsidy	\$ 740,800	\$ 1,200.00	102.8888889		
Upfront Subsidy	\$ -	0%			
Total	\$ 740,800				

GROSS RENTABLE SPACE

Residential (units) sold	-	0
Residential (units) rented	6	6 attached single family homes - sell after 10 yrs
Commercial (SF)	-	SF
Restaurant/Brewery	-	SF
Trail Supported Rec Space	-	SF
Indoor Recreational Space	-	

IRR from Pro Forma	7.94%
Tax Abatement	Regular PILOT

Sales Price - Residential	\$ -	Per unit sales price \$ -
Rental Rate - Residential	\$ 1,200.00	City five year average rent for a 2BR is \$895/month

Property Tax Abatement	Regular PILOT
Present Value of Tax Abatement	\$57,110.90

Income Growth Rate	3%
Expense Growth Rate	3%
Tax Growth Rate	See Tab "Property Tax All"

Income	0	1	2	3	4	5	6	7	8	9	10	11
Residential Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential rents	\$ 86,400	\$ 88,992	\$ 91,662	\$ 94,412	\$ 97,244	\$ 100,161	\$ 103,166	\$ 106,261	\$ 109,449	\$ 112,732	\$ 116,114	\$ 119,596
Vacancy Allowance (months x units)	5% \$ (4,320)	\$ (4,450)	\$ (4,583)	\$ (4,721)	\$ (4,862)	\$ (5,008)	\$ (5,158)	\$ (5,313)	\$ (5,472)	\$ (5,637)	\$ (5,806)	\$ (5,979)
EGI	\$ 82,080	\$ 84,542	\$ 87,079	\$ 89,691	\$ 92,382	\$ 95,153	\$ 98,008	\$ 100,948	\$ 103,976	\$ 107,096	\$ 110,309	\$ 113,617
Total income	\$ 86,400	\$ 88,992	\$ 91,662	\$ 94,412	\$ 97,244	\$ 100,161	\$ 103,166	\$ 106,261	\$ 109,449	\$ 112,732	\$ 116,114	\$ 119,596
Total vacancy allowance	5% \$ (4,320)	\$ (4,450)	\$ (4,583)	\$ (4,721)	\$ (4,862)	\$ (5,008)	\$ (5,158)	\$ (5,313)	\$ (5,472)	\$ (5,637)	\$ (5,806)	\$ (5,979)
Total EGI	\$ 82,080	\$ 84,542	\$ 87,079	\$ 89,691	\$ 92,382	\$ 95,153	\$ 98,008	\$ 100,948	\$ 103,976	\$ 107,096	\$ 110,309	\$ 113,617

Operating Expenses	0	1	2	3	4	5	6	7	8	9	10	11
OPEX (excl. prop tax) residential	15% \$ (12,312)	\$ (12,681)	\$ (13,062)	\$ (13,454)	\$ (13,857)	\$ (14,273)	\$ (14,701)	\$ (15,142)	\$ (15,596)	\$ (16,064)	\$ (16,546)	\$ (17,043)
Total Expenses (excl. property taxes)	\$ (12,312)	\$ (12,681)	\$ (13,062)	\$ (13,454)	\$ (13,857)	\$ (14,273)	\$ (14,701)	\$ (15,142)	\$ (15,596)	\$ (16,064)	\$ (16,546)	\$ (17,043)
Property Taxes - Homestead rate	\$ (26,119)	\$ (26,641)	\$ (27,174)	\$ (27,718)	\$ (28,272)	\$ (28,838)	\$ (29,414)	\$ (30,003)	\$ (30,603)	\$ (31,215)	\$ (31,839)	\$ (32,476)
Property Tax Abatement	Regular PILOT \$ 11,010	\$ 10,107	\$ 9,164	\$ 8,179	\$ 7,150	\$ 6,078	\$ 4,960	\$ 3,794	\$ 2,580	\$ 1,316	\$ -	\$ -
Net Operating Income	\$ 54,659	\$ 55,327	\$ 56,006	\$ 56,698	\$ 57,403	\$ 58,121	\$ 58,852	\$ 59,597	\$ 60,357	\$ 61,132	\$ 61,923	\$ 62,729
Total NOI	\$ 54,659	\$ 55,327	\$ 56,006	\$ 56,698	\$ 57,403	\$ 58,121	\$ 58,852	\$ 59,597	\$ 60,357	\$ 61,132	\$ 61,923	\$ 62,729

Debt Service

Development Cost	\$ 740,800	
% Equity	33%	Realty Rates Investor Survey Q3 2016 (avg), p.15 Hi-rise/urban townhouse
Equity Contribution	\$244,464	
Amount Financed for Construction	\$496,336	
Construction Period (Year 0)		
Construction Rate	6.86%	Realty Rates Investor Survey Q3 2016 (avg) p.9 Apartment
Construction Period Interest	\$34,049	
Operation Period (Year 1-10)	Year 1 Loan	
Loan Origination Fee %	2.85%	Realty Rates Investor Survey Q3 2016 (avg) p.9 Apartment
Loan Origination Fee	\$14,146	
Total Financing Costs	\$48,194	
% Equity of Financial Costs	33%	
Amount Financed for Financing Cos	\$32,290	
Interest Rate	5.32%	Realty Rates Investor Survey Q3 2016 (avg) p.15 Hi-rise/urban townhouse
Amortization	25	Realty Rates Investor Survey Q3 2016 (avg) p.15 Hi-rise/urban townhouse is 23, 25 used here (max is 30)
Term	25	Realty Rates Investor Survey Q3 2016 (avg) p.15 Hi-rise/urban townhouse is 23, 25 used here (max is 30)
Principal (Amount Financed)	\$528,626	

Financing Year - Phase I	1	2	3	4	5	6	7	8	9	10	
Project Year	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt Service		(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)
Interest		(\$28,123)	(\$27,559)	(\$26,965)	(\$26,340)	(\$25,682)	(\$24,988)	(\$24,257)	(\$23,488)	(\$22,678)	(\$21,824)
Principal		(\$10,596)	(\$11,160)	(\$11,754)	(\$12,379)	(\$13,038)	(\$13,731)	(\$14,462)	(\$15,231)	(\$16,041)	(\$16,895)
Year End Remaining Principal	\$518,030	\$506,870	\$495,116	\$482,737	\$469,699	\$455,968	\$441,506	\$426,275	\$410,234	\$393,339	\$375,444

Year 10 - Sale of Project

Net Operating Income Year 11	\$ 61,923	
Reversion Cap Rate	8.03%	Realty Rates Investor Survey Q3 2016 - 8.03% OAR
Sale Value, cashflow (Year 11)	\$771,150	
Sale Commission Rate	3.00%	
Sale Commission	\$23,135	
Remaining Principal on Debt	\$393,339	
Sale Proceeds	\$354,677	

Pro Forma: Vacuum Oil Task #1 Residential Tax Scenario:		Regular PILOT									
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Income											
Residential	\$ -	\$ 86,400	\$ 88,992	\$ 91,662	\$ 94,412	\$ 97,244	\$ 100,161	\$ 103,166	\$ 106,261	\$ 109,449	\$ 112,732
Vacancy and Credit Loss											
Vacancy Allowance		\$ (4,320)	\$ (4,450)	\$ (4,583)	\$ (4,721)	\$ (4,862)	\$ (5,008)	\$ (5,158)	\$ (5,313)	\$ (5,472)	\$ (5,637)
Effective Gross Income	\$ -	\$ 82,080	\$ 84,542	\$ 87,079	\$ 89,691	\$ 92,382	\$ 95,153	\$ 98,008	\$ 100,948	\$ 103,976	\$ 107,096
Operating Expenses											
Operating Expenses (inc. mgmt, util, in	\$ -	\$ (12,312)	\$ (12,681)	\$ (13,062)	\$ (13,454)	\$ (13,857)	\$ (14,273)	\$ (14,701)	\$ (15,142)	\$ (15,596)	\$ (16,064)
Property Taxes	\$ -	\$ (26,119)	\$ (26,641)	\$ (27,174)	\$ (27,718)	\$ (28,272)	\$ (28,838)	\$ (29,414)	\$ (30,003)	\$ (30,603)	\$ (31,215)
Property Tax Abatement	Regular PILOT	\$ 11,010	\$ 10,107	\$ 9,164	\$ 8,179	\$ 7,150	\$ 6,078	\$ 4,960	\$ 3,794	\$ 2,580	\$ 1,316
Net Operating Income	\$ -	\$ 54,659	\$ 55,327	\$ 56,006	\$ 56,698	\$ 57,403	\$ 58,121	\$ 58,852	\$ 59,597	\$ 60,357	\$ 61,132
Debt Service											
Debt Service	\$ -	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)
Permanent Financing Draw		\$ 528,626									
Construction Financing Draw	\$ 496,336	\$ (496,336)									
Sale Proceeds											\$ 354,677
	\$ 496,336	\$ 48,230	\$ 16,607	\$ 17,287	\$ 17,979	\$ 18,684	\$ 19,401	\$ 20,133	\$ 20,878	\$ 21,638	\$ 377,090
Capital Outlays											
Upfront Subsidy	\$ -										
Land Cost	\$ (28,000)										
Construction	\$ (740,800)										
Loan Origination Fee	\$ (14,146)										
Construction Period Interest	\$ (34,049)										
Pre-Tax Cash Flow	\$ (320,658)	\$ 48,230	\$ 16,607	\$ 17,287	\$ 17,979	\$ 18,684	\$ 19,401	\$ 20,133	\$ 20,878	\$ 21,638	\$ 377,090
Debt Service Coverage		1.41	1.43	1.45	1.46	1.48	1.50	1.52	1.54	1.56	1.58
Internal Rate of Return (IRR)	7.94%										
Min: 6%, avg: 10%											

Vacuum Oil BOA Task #1, Residential Site

12 Fenwick and 887 Exchange Street

Enhanced PILOT

Summary of Assumptions

11/8/2016

CONSTRUCTION COST

Cost of Land/Existing Structures (10%)	\$ 28,000	From Dorraine at City of Rochester 11/7			
Site Work (10%)	\$ 64,800	Not in \$90			
Soft Costs	\$ -	Bergmann confirmed this is included in \$90			
		SF per unit Cost per SF # Units Cost per Unit Assed Value per Unit			
Construction, Units sold	\$ -	\$ -	90	0 \$ -	
Construction, Units rented	\$ 648,000	\$ 1,200.00	90	6 \$ 108,000.00	\$ 123,466.67
Total before subsidy	\$ 740,800	\$ 1,200.00	102.8888889		
Upfront Subsidy	\$ -	0%			
Total	\$ 740,800				

GROSS RENTABLE SPACE

Residential (units) sold	-	0
Residential (units) rented	6	6 attached single family homes - sell after 10 yrs
Commercial (SF)	-	SF
Restaurant/Brewery	-	SF
Trail Supported Rec Space	-	SF
Indoor Recreational Space	-	

IRR from Pro Forma	8.13%
Tax Abatement	Enhanced PILOT

Sales Price - Residential	\$ -	Per unit sales price \$ -
Rental Rate - Residential	\$ 1,150.00	City five year average rent for a 2BR is \$895/month

Property Tax Abatement	Enhanced PILOT
Present Value of Tax Abatement	\$114,221.81

Income Growth Rate	3%
Expense Growth Rate	3%
Tax Growth Rate	See Tab "Property Tax All"

Income	0	1	2	3	4	5	6	7	8	9	10	11
Residential Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential rents	\$ 82,800	\$ 85,284	\$ 87,843	\$ 87,843	\$ 90,478	\$ 93,192	\$ 95,988	\$ 98,868	\$ 101,834	\$ 104,889	\$ 108,035	\$ 111,276
Vacancy Allowance (months x units)	5% \$ (4,140)	\$ (4,264)	\$ (4,392)	\$ (4,524)	\$ (4,660)	\$ (4,799)	\$ (4,943)	\$ (5,092)	\$ (5,244)	\$ (5,402)	\$ (5,564)	\$ (5,732)
EGI	\$ 78,660	\$ 81,020	\$ 83,450	\$ 83,450	\$ 85,954	\$ 88,533	\$ 91,188	\$ 93,924	\$ 96,742	\$ 99,644	\$ 102,633	\$ 105,712
Total income	\$ 82,800	\$ 85,284	\$ 87,843	\$ 87,843	\$ 90,478	\$ 93,192	\$ 95,988	\$ 98,868	\$ 101,834	\$ 104,889	\$ 108,035	\$ 111,276
Total Vacancy Allowance	5% \$ (4,140)	\$ (4,264)	\$ (4,392)	\$ (4,524)	\$ (4,660)	\$ (4,799)	\$ (4,943)	\$ (5,092)	\$ (5,244)	\$ (5,402)	\$ (5,564)	\$ (5,732)
Total EGI	\$ 78,660	\$ 81,020	\$ 83,450	\$ 83,450	\$ 85,954	\$ 88,533	\$ 91,188	\$ 93,924	\$ 96,742	\$ 99,644	\$ 102,633	\$ 105,712

Operating Expenses	0	1	2	3	4	5	6	7	8	9	10	11
OPEX (excl. prop tax) residential	15% \$ (11,799)	\$ (12,153)	\$ (12,518)	\$ (12,893)	\$ (13,280)	\$ (13,678)	\$ (14,089)	\$ (14,511)	\$ (14,947)	\$ (15,395)	\$ (15,857)	\$ (16,335)
Total Expenses (excl. property taxes)	\$ (11,799)	\$ (12,153)	\$ (12,518)	\$ (12,893)	\$ (13,280)	\$ (13,678)	\$ (14,089)	\$ (14,511)	\$ (14,947)	\$ (15,395)	\$ (15,857)	\$ (16,335)
Property Taxes - Homestead rate	\$ (26,119)	\$ (26,641)	\$ (27,174)	\$ (27,718)	\$ (28,272)	\$ (28,838)	\$ (29,414)	\$ (30,003)	\$ (30,603)	\$ (31,215)	\$ (31,839)	\$ (32,478)
Property Tax Abatement	Enhanced PILOT \$ 22,020	\$ 20,214	\$ 18,327	\$ 16,357	\$ 14,301	\$ 12,156	\$ 9,919	\$ 7,588	\$ 5,160	\$ 2,632	\$ -	\$ -
Net Operating Income	\$ 62,762	\$ 62,439	\$ 62,086	\$ 61,700	\$ 61,281	\$ 60,828	\$ 60,340	\$ 59,816	\$ 59,255	\$ 58,655	\$ 58,017	\$ 57,339
Total NOI	\$ 62,762	\$ 62,439	\$ 62,086	\$ 61,700	\$ 61,281	\$ 60,828	\$ 60,340	\$ 59,816	\$ 59,255	\$ 58,655	\$ 58,017	\$ 57,339

Debt Service

Development Cost	\$ 740,800
% Equity	33%
Equity Contribution	\$244,464
Amount Financed for Construction	\$496,336
Construction Period (Year 0)	
Construction Rate	6.86%
Construction Period Interest	\$34,049
Operation Period (Year 1-10)	Year 1 Loan
Loan Origination Fee %	2.85%
Loan Origination Fee	\$14,146
Total Financing Costs	\$48,194
% Equity of Financial Costs	33%
Amount Financed for Financing Cos	\$32,290
Interest Rate	5.32%
Amortization	25
Term	25
Principal (Amount Financed)	\$528,626

Financing Year - Phase I	1	2	3	4	5	6	7	8	9	10	
Project Year	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt Service		(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)
Interest		(\$28,123)	(\$27,559)	(\$26,965)	(\$26,340)	(\$25,682)	(\$24,988)	(\$24,257)	(\$23,488)	(\$22,678)	(\$21,824)
Principal		(\$10,596)	(\$11,160)	(\$11,754)	(\$12,379)	(\$13,038)	(\$13,731)	(\$14,462)	(\$15,231)	(\$16,041)	(\$16,895)
Year End Remaining Principal	\$518,030	\$506,870	\$495,116	\$482,737	\$469,699	\$455,968	\$441,506	\$426,275	\$410,234	\$393,339	\$375,844

Year 10 - Sale of Project

Net Operating Income Year 11	\$ 58,017
Reversion Cap Rate	8.03%
Sale Value, cashflow (Year 11)	\$722,498
Sale Commission Rate	3.00%
Sale Commission	\$21,675
Remaining Principal on Debt	\$393,339
Sale Proceeds	\$307,484

Pro Forma: Vacuum Oil Task #1 Residential Tax Scenario:		Enhanced PILOT										
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Income												
Residential	\$ -	\$ 82,800	\$ 85,284	\$ 87,843	\$ 90,478	\$ 93,192	\$ 95,988	\$ 98,868	\$ 101,834	\$ 104,889	\$ 108,035	
Vacancy and Credit Loss												
Vacancy Allowance		\$ (4,140)	\$ (4,264)	\$ (4,392)	\$ (4,524)	\$ (4,660)	\$ (4,799)	\$ (4,943)	\$ (5,092)	\$ (5,244)	\$ (5,402)	
Effective Gross Income	\$ -	\$ 78,660	\$ 81,020	\$ 83,450	\$ 85,954	\$ 88,533	\$ 91,188	\$ 93,924	\$ 96,742	\$ 99,644	\$ 102,633	
Operating Expenses												
Operating Expenses (inc. mgmt, util, in	\$ -	\$ (11,799)	\$ (12,153)	\$ (12,518)	\$ (12,893)	\$ (13,280)	\$ (13,678)	\$ (14,089)	\$ (14,511)	\$ (14,947)	\$ (15,395)	
Property Taxes	\$ -	\$ (26,119)	\$ (26,641)	\$ (27,174)	\$ (27,718)	\$ (28,272)	\$ (28,838)	\$ (29,414)	\$ (30,003)	\$ (30,603)	\$ (31,215)	
Property Tax Abatement	Enhanced PIL	\$ 22,020	\$ 20,214	\$ 18,327	\$ 16,357	\$ 14,301	\$ 12,156	\$ 9,919	\$ 7,588	\$ 5,160	\$ 2,632	
Net Operating Income	\$ -	\$ 62,762	\$ 62,439	\$ 62,086	\$ 61,700	\$ 61,281	\$ 60,828	\$ 60,340	\$ 59,816	\$ 59,255	\$ 58,655	
Debt Service												
Debt Service	\$ -	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	
Permanent Financing Draw		\$ 528,626										
Construction Financing Draw	\$ 496,336	\$ (496,336)										
Sale Proceeds											\$ 307,484	
	\$ 496,336	\$ 56,333	\$ 23,720	\$ 23,367	\$ 22,981	\$ 22,562	\$ 22,109	\$ 21,621	\$ 21,097	\$ 20,536	\$ 327,420	
Capital Outlays												
Upfront Subsidy	\$ -											
Land Cost	\$ (28,000)											
Construction	\$ (740,800)											
Loan Origination Fee	\$ (14,146)											
Construction Period Interest	\$ (34,049)											
Pre-Tax Cash Flow	\$ (320,658)	\$ 56,333	\$ 23,720	\$ 23,367	\$ 22,981	\$ 22,562	\$ 22,109	\$ 21,621	\$ 21,097	\$ 20,536	\$ 327,420	
Debt Service Coverage		1.62	1.61	1.60	1.59	1.58	1.57	1.56	1.54	1.53	1.51	
Internal Rate of Return (IRR)	8.13%											
Min: 6%, avg: 10%												

Vacuum Oil BOA Task #1, Residential Site
12 Fenwick and 887 Exchange Street

Shelter Rent

Summary of Assumptions
11/8/2016

CONSTRUCTION COST

Cost of Land/Existing Structures (10%)	\$ 28,000	From Dorraine at City of Rochester 11/7			
Site Work (10%)	\$ 64,800	Not in \$90			
Soft Costs	\$ -	Bergmann confirmed this is included in \$90			
		SF per unit Cost per SF # Units Cost per Unit Assed Value per Unit			
Construction, Units sold	\$ -	\$ -	90	0 \$ -	
Construction, Units rented	\$ 648,000	\$ 1,200.00	90	6 \$ 108,000.00	\$ 123,466.67
Total before subsidy	\$ 740,800	\$ 1,200.00	102.8888889		
Upfront Subsidy	\$ -	0%			
Total	\$ 740,800				

GROSS RENTABLE SPACE

Residential (units) sold	-	0
Residential (units) rented	6	6 attached single family homes - sell after 10 yrs
Commercial (SF)	-	SF
Restaurant/Brewery	-	SF
Trail Supported Rec Space	-	SF
Indoor Recreational Space	-	

IRR from Pro Forma	6.00%
Tax Abatement	Shelter Rent

Sales Price - Residential	\$ -	Per unit sales price \$ -
Rental Rate - Residential	\$ 810.25	City five year average rent for a 2BR is \$895/month

Property Tax Abatement	Shelter Rent
Present Value of Tax Abatement	\$250,990.78

Income Growth Rate	3%
Expense Growth Rate	3%
Tax Growth Rate	See Tab "Property Tax All"

Income	0	1	2	3	4	5	6	7	8	9	10	11
Residential Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential rents	\$ 58,338	\$ 60,088	\$ 61,890	\$ 63,747	\$ 65,660	\$ 67,629	\$ 69,658	\$ 71,748	\$ 73,900	\$ 76,117	\$ 78,401	\$ 80,744
Vacancy Allowance (months x units)	5% \$ (2,917)	\$ (3,004)	\$ (3,095)	\$ (3,187)	\$ (3,283)	\$ (3,381)	\$ (3,483)	\$ (3,587)	\$ (3,695)	\$ (3,806)	\$ (3,920)	\$ (4,037)
EGI	\$ 55,421	\$ 57,083	\$ 58,796	\$ 60,560	\$ 62,377	\$ 64,248	\$ 66,175	\$ 68,161	\$ 70,205	\$ 72,312	\$ 74,481	\$ 76,704
Total income	\$ 58,338	\$ 60,088	\$ 61,890	\$ 63,747	\$ 65,660	\$ 67,629	\$ 69,658	\$ 71,748	\$ 73,900	\$ 76,117	\$ 78,401	\$ 80,744
Total Vacancy Allowance	5% \$ (2,917)	\$ (3,004)	\$ (3,095)	\$ (3,187)	\$ (3,283)	\$ (3,381)	\$ (3,483)	\$ (3,587)	\$ (3,695)	\$ (3,806)	\$ (3,920)	\$ (4,037)
Total EGI	\$ 55,421	\$ 57,083	\$ 58,796	\$ 60,560	\$ 62,377	\$ 64,248	\$ 66,175	\$ 68,161	\$ 70,205	\$ 72,312	\$ 74,481	\$ 76,704

Operating Expenses	0	1	2	3	4	5	6	7	8	9	10	11
OPEX (excl. prop tax) residential	15% \$ (8,313)	\$ (8,563)	\$ (8,819)	\$ (9,084)	\$ (9,356)	\$ (9,637)	\$ (9,926)	\$ (10,224)	\$ (10,531)	\$ (10,847)	\$ (11,172)	\$ (11,517)
Total Expenses (excl. property taxes)	\$ (8,313)	\$ (8,563)	\$ (8,819)	\$ (9,084)	\$ (9,356)	\$ (9,637)	\$ (9,926)	\$ (10,224)	\$ (10,531)	\$ (10,847)	\$ (11,172)	\$ (11,517)
Property Taxes - Homestead rate	\$ (26,119)	\$ (26,641)	\$ (27,174)	\$ (27,718)	\$ (28,272)	\$ (28,838)	\$ (29,414)	\$ (30,003)	\$ (30,603)	\$ (31,215)	\$ (31,839)	\$ (32,477)
Property Tax Abatement Shelter Rent	\$ 24,734	\$ 25,214	\$ 25,704	\$ 26,204	\$ 26,713	\$ 27,231	\$ 27,760	\$ 28,299	\$ 28,848	\$ 29,407	\$ 29,977	\$ 30,557
Net Operating Income	\$ 45,722	\$ 47,094	\$ 48,507	\$ 49,962	\$ 51,461	\$ 53,005	\$ 54,595	\$ 56,232	\$ 57,919	\$ 59,657	\$ 61,447	\$ 63,286
Total NOI	\$ 45,722	\$ 47,094	\$ 48,507	\$ 49,962	\$ 51,461	\$ 53,005	\$ 54,595	\$ 56,232	\$ 57,919	\$ 59,657	\$ 61,447	\$ 63,286

Debt Service

Development Cost	\$ 740,800	
% Equity	33%	Realty Rates Investor Survey Q3 2016 (avg), p.15 Hi-rise/urban townhouse
Equity Contribution	\$244,464	
Amount Financed for Construction	\$496,336	
Construction Period (Year 0)		
Construction Rate	6.86%	Realty Rates Investor Survey Q3 2016 (avg) p.9 Apartment
Construction Period Interest	\$34,049	
Operation Period (Year 1-10)	Year 1 Loan	
Loan Origination Fee %	2.85%	Realty Rates Investor Survey Q3 2016 (avg) p.9 Apartment
Loan Origination Fee	\$14,146	
Total Financing Costs	\$48,194	
% Equity of Financial Costs	33%	
Amount Financed for Financing Cos	\$32,290	
Interest Rate	5.32%	Realty Rates Investor Survey Q3 2016 (avg) p.15 Hi-rise/urban townhouse
Amortization	25	Realty Rates Investor Survey Q3 2016 (avg) p.15 Hi-rise/urban townhouse is 23, 25 used here (max is 30)
Term	25	Realty Rates Investor Survey Q3 2016 (avg) p.15 Hi-rise/urban townhouse is 23, 25 used here (max is 30)
Principal (Amount Financed)	\$528,626	

Financing Year - Phase I	1	2	3	4	5	6	7	8	9	10	
Project Year	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Debt Service		(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)
Interest		(\$28,123)	(\$27,559)	(\$26,965)	(\$26,340)	(\$25,682)	(\$24,988)	(\$24,257)	(\$23,488)	(\$22,678)	(\$21,824)
Principal		(\$10,596)	(\$11,160)	(\$11,754)	(\$12,379)	(\$13,038)	(\$13,731)	(\$14,462)	(\$15,231)	(\$16,041)	(\$16,895)
Year End Remaining Principal	\$518,030	\$506,870	\$495,116	\$482,737	\$469,699	\$455,968	\$441,506	\$426,275	\$410,234	\$393,339	\$375,844

Year 10 - Sale of Project

Net Operating Income Year 11	\$ 61,447	
Reversion Cap Rate	8.03%	Realty Rates Investor Survey Q3 2016 - 8.03% OAR
Sale Value, cashflow (Year 11)	\$765,215	
Sale Commission Rate	3.00%	
Sale Commission	\$22,956	
Remaining Principal on Debt	\$393,339	
Sale Proceeds	\$348,920	

Pro Forma: Vacuum Oil Task #1 Residential Tax Scenario:		Shelter Rent									
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Income											
Residential	\$ -	\$ 58,338	\$ 60,088	\$ 61,890	\$ 63,747	\$ 65,660	\$ 67,629	\$ 69,658	\$ 71,748	\$ 73,900	\$ 76,117
Vacancy and Credit Loss											
Vacancy Allowance		\$ (2,917)	\$ (3,004)	\$ (3,095)	\$ (3,187)	\$ (3,283)	\$ (3,381)	\$ (3,483)	\$ (3,587)	\$ (3,695)	\$ (3,806)
Effective Gross Income	\$ -	\$ 55,421	\$ 57,083	\$ 58,796	\$ 60,560	\$ 62,377	\$ 64,248	\$ 66,175	\$ 68,161	\$ 70,205	\$ 72,312
Operating Expenses											
Operating Expenses (inc. mgmt, util, in	\$ -	\$ (8,313)	\$ (8,563)	\$ (8,819)	\$ (9,084)	\$ (9,356)	\$ (9,637)	\$ (9,926)	\$ (10,224)	\$ (10,531)	\$ (10,847)
Property Taxes	\$ -	\$ (26,119)	\$ (26,641)	\$ (27,174)	\$ (27,718)	\$ (28,272)	\$ (28,838)	\$ (29,414)	\$ (30,003)	\$ (30,603)	\$ (31,215)
Property Tax Abatement Shelter Rent	\$ 24,734	\$ 25,214	\$ 25,704	\$ 26,204	\$ 26,713	\$ 27,231	\$ 27,760	\$ 28,299	\$ 28,848	\$ 29,407	
Net Operating Income	\$ -	\$ 45,722	\$ 47,094	\$ 48,507	\$ 49,962	\$ 51,461	\$ 53,005	\$ 54,595	\$ 56,232	\$ 57,919	\$ 59,657
Debt Service											
Debt Service	\$ -	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)
Permanent Financing Draw		\$ 528,626									
Construction Financing Draw	\$ 496,336	\$ (496,336)									
Sale Proceeds											\$ 348,920
	\$ 496,336	\$ 39,293	\$ 8,375	\$ 9,787	\$ 11,243	\$ 12,741	\$ 14,285	\$ 15,875	\$ 17,513	\$ 19,200	\$ 369,857
Capital Outlays											
Upfront Subsidy	\$ -										
Land Cost	\$ (28,000)										
Construction	\$ (740,800)										
Loan Origination Fee	\$ (14,146)										
Construction Period Interest	\$ (34,049)										
Pre-Tax Cash Flow	\$ (320,658)	\$ 39,293	\$ 8,375	\$ 9,787	\$ 11,243	\$ 12,741	\$ 14,285	\$ 15,875	\$ 17,513	\$ 19,200	\$ 369,857
Debt Service Coverage		1.18	1.22	1.25	1.29	1.33	1.37	1.41	1.45	1.50	1.54
Internal Rate of Return (IRR)	6.00%										
Min: 6%, avg: 10%											

Vacuum Oil BOA Task #1, Residential Site		Base Case		Summary of Assumptions								
12 Fenwick and 887 Exchange Street				11/8/2016								
CONSTRUCTION COST												
Cost of Land/Existing Structures (10%)	\$ 28,000	From Dorraine at City of Rochester 11/7										
Site Work (10%)	\$ 64,800	Not in \$90										
Soft Costs	\$ -	Bergmann confirmed this is included in \$90										
		SF per unit	Cost per SF	# Units	Cost per Unit							
Construction, Units sold	\$ -	-	-	90	0 \$ -							
Construction, Units rented	\$ 648,000	\$ 1,200.00	90	6	\$ 108,000.00							
Total before subsidy	\$ 740,800	\$ 1,200.00	102.8888889		\$ 123,466.67							
Upfront Subsidy	\$ -	0%										
Total	\$ 740,800											
GROSS RENTABLE SPACE												
Residential (units) sold	-	0										
Residential (units) rented	6	6 attached single family homes - sell after 10 yrs										
Commercial (SF)	-	SF										
Restaurant/Brewery	-	SF										
Trail Supported Rec Space	-	SF										
Indoor Recreational Space	-											
Sales Price - Residential	\$ -	Per unit sales price \$ -										
Rental Rate - Residential	\$ 1,200.00	City five year average rent for a 2BR is \$895/month										
Property Tax Abatement	Base Case											
Present value of Tax Abatement	\$0.00											
Income Growth Rate	3%											
Expense Growth Rate	3%											
Tax Growth Rate	See Tab "Property Tax All"											
Income	0	1	2	3	4	5	6	7	8	9	10	11
Residential Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Residential rents	\$ 86,400	\$ 88,992	\$ 91,662	\$ 94,412	\$ 97,244	\$ 100,161	\$ 103,166	\$ 106,261	\$ 109,449	\$ 112,732	\$ 116,114	\$ 119,502
Vacancy Allowance (months x units)	5% \$ (4,320)	\$ (4,450)	\$ (4,583)	\$ (4,721)	\$ (4,862)	\$ (5,008)	\$ (5,158)	\$ (5,313)	\$ (5,472)	\$ (5,637)	\$ (5,806)	\$ (5,980)
EGI	\$ 82,080	\$ 84,542	\$ 87,079	\$ 89,691	\$ 92,382	\$ 95,153	\$ 98,008	\$ 100,948	\$ 103,976	\$ 107,096	\$ 110,309	\$ 113,529
Total income	\$ 86,400	\$ 88,992	\$ 91,662	\$ 94,412	\$ 97,244	\$ 100,161	\$ 103,166	\$ 106,261	\$ 109,449	\$ 112,732	\$ 116,114	\$ 119,502
Total Vacancy Allowance	5% \$ (4,320)	\$ (4,450)	\$ (4,583)	\$ (4,721)	\$ (4,862)	\$ (5,008)	\$ (5,158)	\$ (5,313)	\$ (5,472)	\$ (5,637)	\$ (5,806)	\$ (5,980)
Total EGI	\$ 82,080	\$ 84,542	\$ 87,079	\$ 89,691	\$ 92,382	\$ 95,153	\$ 98,008	\$ 100,948	\$ 103,976	\$ 107,096	\$ 110,309	\$ 113,529
Operating Expenses	0	1	2	3	4	5	6	7	8	9	10	11
OPEX (excl. prop tax) residential	15% \$ (12,312)	\$ (12,681)	\$ (13,062)	\$ (13,454)	\$ (13,857)	\$ (14,273)	\$ (14,701)	\$ (15,142)	\$ (15,596)	\$ (16,064)	\$ (16,546)	\$ (17,044)
Total Expenses (excl. property taxes)	\$ (12,312)	\$ (12,681)	\$ (13,062)	\$ (13,454)	\$ (13,857)	\$ (14,273)	\$ (14,701)	\$ (15,142)	\$ (15,596)	\$ (16,064)	\$ (16,546)	\$ (17,044)
Property Taxes - Homestead rate	\$ (26,119)	\$ (26,641)	\$ (27,174)	\$ (27,718)	\$ (28,272)	\$ (28,838)	\$ (29,414)	\$ (30,003)	\$ (30,603)	\$ (31,215)	\$ (31,839)	\$ (32,478)
Property Tax Abatement	Base Case \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Operating Income	\$ 43,649	\$ 45,220	\$ 46,843	\$ 48,520	\$ 50,252	\$ 52,043	\$ 53,892	\$ 55,803	\$ 57,777	\$ 59,817	\$ 61,923	\$ 64,095
Total NOI	\$ 43,649	\$ 45,220	\$ 46,843	\$ 48,520	\$ 50,252	\$ 52,043	\$ 53,892	\$ 55,803	\$ 57,777	\$ 59,817	\$ 61,923	\$ 64,095
Debt Service												
Development Cost	\$ 740,800											
% Equity	33%	Realty Rates Investor Survey Q3 2016 (avg), p.15 Hi-rise/urban townhouse										
Equity Contribution	\$244,464											
Amount Financed for Construction	\$496,336											
Construction Period (Year 0)												
Construction Rate	6.86%	Realty Rates Investor Survey Q3 2016 (avg) p.9 Apartment										
Construction Period Interest	\$34,049											
Operation Period (Year 1-10)	Year 1 Loan											
Loan Origination Fee %	2.85%	Realty Rates Investor Survey Q3 2016 (avg) p.9 Apartment										
Loan Origination Fee	\$14,146											
Total Financing Costs	\$48,194											
% Equity of Financial Costs	33%											
Amount Financed for Financing Cos	\$32,290											
Interest Rate	5.32%	Realty Rates Investor Survey Q3 2016 (avg) p.15 Hi-rise/urban townhouse										
Amortization	25	Realty Rates Investor Survey Q3 2016 (avg) p.15 Hi-rise/urban townhouse is 23, 25 used here (max is 30)										
Term	25	Realty Rates Investor Survey Q3 2016 (avg) p.15 Hi-rise/urban townhouse is 23, 25 used here (max is 30)										
Principal (Amount Financed)	\$528,626											
Financing Year - Phase I		1	2	3	4	5	6	7	8	9	10	
Project Year	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Debt Service		(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)	(\$38,719)
Interest		(\$28,123)	(\$27,559)	(\$26,965)	(\$26,340)	(\$25,682)	(\$24,988)	(\$24,257)	(\$23,488)	(\$22,678)	(\$21,824)	(\$20,936)
Principal		(\$10,596)	(\$11,160)	(\$11,754)	(\$12,379)	(\$13,038)	(\$13,731)	(\$14,462)	(\$15,231)	(\$16,041)	(\$16,895)	(\$17,794)
Year End Remaining Principal		\$518,030	\$506,870	\$495,116	\$482,737	\$469,699	\$455,968	\$441,506	\$426,275	\$410,234	\$393,339	\$375,545
Year 10 - Sale of Project												
Net Operating Income Year 11	\$ 61,923											
Reversion Cap Rate	8.03%	Realty Rates Investor Survey Q3 2016 - 8.03% OAR										
Sale Value, cashflow (Year 11)	\$771,150											
Sale Commission Rate	3.00%											
Sale Commission	\$23,135											
Remaining Principal on Debt	\$393,339											
Sale Proceeds	\$354,677											

Pro Forma: Vacuum Oil Task #1 Residential Tax Scenario:		Base Case										
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Income												
Residential	\$ -	\$ 86,400	\$ 88,992	\$ 91,662	\$ 94,412	\$ 97,244	\$ 100,161	\$ 103,166	\$ 106,261	\$ 109,449	\$ 112,732	
Vacancy and Credit Loss												
Vacancy Allowance		\$ (4,320)	\$ (4,450)	\$ (4,583)	\$ (4,721)	\$ (4,862)	\$ (5,008)	\$ (5,158)	\$ (5,313)	\$ (5,472)	\$ (5,637)	
Effective Gross Income	\$ -	\$ 82,080	\$ 84,542	\$ 87,079	\$ 89,691	\$ 92,382	\$ 95,153	\$ 98,008	\$ 100,948	\$ 103,976	\$ 107,096	
Operating Expenses												
Operating Expenses (inc. mgmt, util, in	\$ -	\$ (12,312)	\$ (12,681)	\$ (13,062)	\$ (13,454)	\$ (13,857)	\$ (14,273)	\$ (14,701)	\$ (15,142)	\$ (15,596)	\$ (16,064)	
Property Taxes	\$ -	\$ (26,119)	\$ (26,641)	\$ (27,174)	\$ (27,718)	\$ (28,272)	\$ (28,838)	\$ (29,414)	\$ (30,003)	\$ (30,603)	\$ (31,215)	
Property Tax Abatement	Base Case	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net Operating Income	\$ -	\$ 43,649	\$ 45,220	\$ 46,843	\$ 48,520	\$ 50,252	\$ 52,043	\$ 53,892	\$ 55,803	\$ 57,777	\$ 59,817	
Debt Service												
Debt Service	\$ -	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	\$ (38,719)	
Permanent Financing Draw		\$ 528,626										
Construction Financing Draw	\$ 496,336	\$ (496,336)										
Sale Proceeds											\$ 354,677	
	\$ 496,336	\$ 37,220	\$ 6,500	\$ 8,123	\$ 9,800	\$ 11,533	\$ 13,323	\$ 15,173	\$ 17,084	\$ 19,058	\$ 375,774	
Capital Outlays												
Upfront Subsidy	\$ -											
Land Cost	\$ (28,000)											
Construction	\$ (740,800)											
Loan Origination Fee	\$ (14,146)											
Construction Period Interest	\$ (34,049)											
Pre-Tax Cash Flow	\$ (320,658)	\$ 37,220	\$ 6,500	\$ 8,123	\$ 9,800	\$ 11,533	\$ 13,323	\$ 15,173	\$ 17,084	\$ 19,058	\$ 375,774	
Debt Service Coverage		1.13	1.17	1.21	1.25	1.30	1.34	1.39	1.44	1.49	1.54	
Internal Rate of Return (IRR)	5.78%											
Min: 6%, avg: 10%												