

**GOLD HILL MESA COMMERCIAL AREA
 PLAN OF FINANCE SUMMARY
 WITH 2% CITY SALES TAX INCREMENT**

GENERAL INFORMATION

Address: 21st Street and Highway 24
 Developer: Golden Cycle Investments, LLC
 Total URA Land Area: 69.81 Acres
 Developable Land 35 acres 1,524,600 SF
 Gross Leaseable Area (GLA) 217,000

PROJECT COSTS

Land Acquisition (35 acres) (\$5/SF) \$7,623,000

<u>Hard Costs</u>	<u>Unit Price</u>	<u>Quantity</u>	<u>Cost</u>
Building Construction (Avg.)	147.63	217,000	32,035,000
Site Work/Infrastructure	14	1,524,600	21,908,502
Subtotal			53,943,502
Contingency	0.04		2,157,740
Total Hard Costs			56,101,242

<u>Soft Costs</u>	<u>% of Hard</u>	
Design, Engineering, Legal Taxes, Insurance, Const Mgt.	0.11	6,263,301
Subtotal Costs (incl Land)		69,987,543

<u>Construction Financing Costs</u>		
Loan Amount	41,861,278	
Avg. Balance (50%)	20,930,639	
7.5% Interest	0.075	
Term (years)	3	
Subtotal		4,709,394
Financing Points	0.005	209,306
Total Construction Financing		4,918,700

Total Project Cost 74,906,243

INCOME

	Size (SF)	Avg, Per SF	Total
Rental Revenue	217,000	18.94	4,110,940
Expense Recovery			
Operating	217,000	8.5	1,844,500
Administration Fee	217,000	0.35	75,950
Total			<u>1,920,450</u>
Total Revenue			6,031,390

EXPENSES

Operating Expenses	217,000	8.5	(1,844,500)
Vacancy	217,000	0.05	(301,570)
Management Fee	217,000	0.02	(120,628)
			<u>(2,266,697)</u>
Net Operating Income (NOI)			3,764,693

Permanent Financing

	Principal	Int Rate	Amortization	Annual Payment
Debt Service (Permanent)	41,861,278	0.06	360	(3,011,754)
Cash Flow (net income after debt service)				752,939

Permanent Loan

Debt Service Coverage Ratio	1.25	\$41,861,278.29
-----------------------------	------	-----------------

Sources of Funds

Equity (Land)	7,623,000
Equity(Cash)	11,644,290
TIF Bond (Metro District)	13,777,675
Commercial Debt	41,861,278
Total	<u>74,906,243</u>
Value of Suordinate TIF (12%)	5,280,065

PERFORMANCE INDICATORS

Cash on Cash ROI	11.83%
Return on Equity	5.40%
Cash flow per SF	\$3.47