

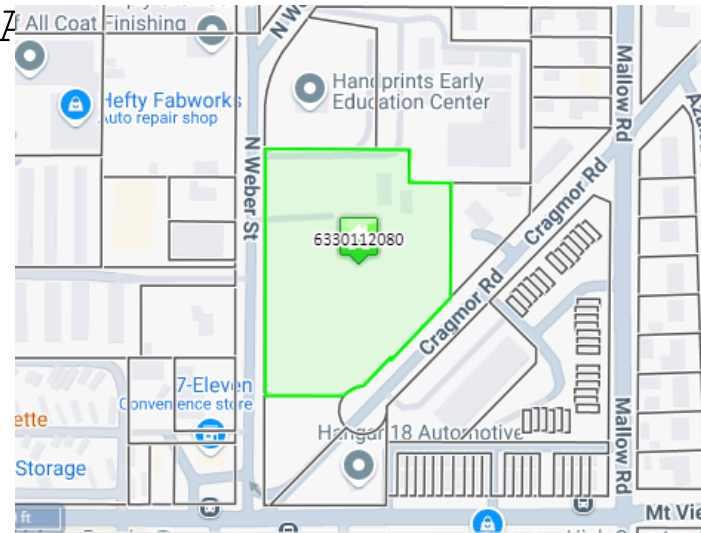
Colorado Springs City Council Presentation



Odyssey at North Weber
3981 N. Weber St.
Colorado Springs, CO 80907

PROJECT OVERVIEW

- Colorado Springs District 5
- 4.4 acre site located in the influence area of the Renew North Nevada Avenue Master Plan
- Approved Development Plan/Currently being Permitted
- 120 unit Multifamily with Market Rate Office
- Targeted towards the Work Force housing need
- Mix of 1 bed/ 1 bath, 2 bed/2 bath, and 3 bed/2 bath units
- 70,000 square feet



PROJECT OVERVIEW

ODYSSEY AT NORTH WEBER

COLORADO SPRINGS, COLORADO

DEVELOPMENT PLAN

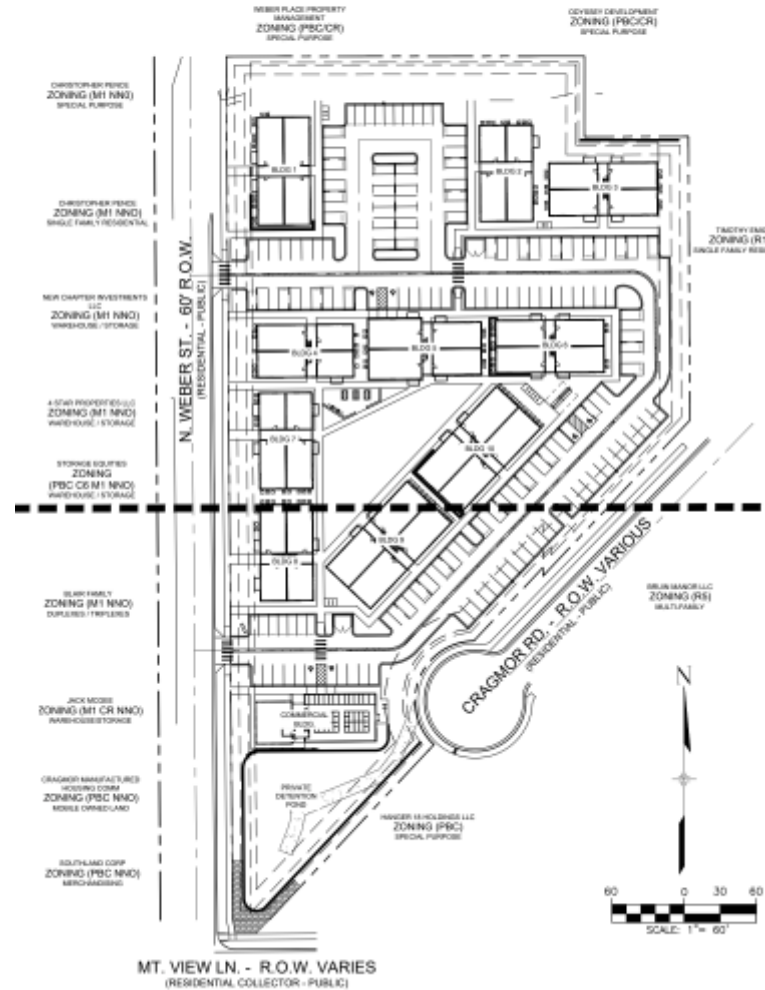
LOT 3 ODYSSEY REPLAT PLUS LOT 1 WEBER SUB. NO. 3, EL PASO COUNTY, COLORADO

LEGAL DESCRIPTION

LOT 3 ODYSSEY REPLAT

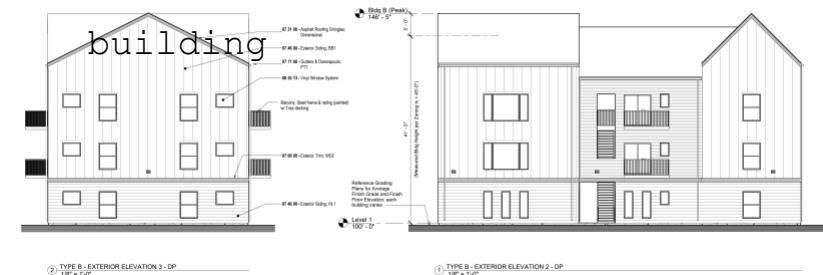
LOT 1 WEBER SUB. FILING NO. 3, EXCEPT THAT PORTION CONVEYED TO THE CITY OF COLORADO SPRINGS IN QUIT CLAIM DEED RECORDED JANUARY 8, 2003 UNDER RECEIPTION NO. 203005978.

TO BE PLATTED AS: LOT 1 OF ODYSSEY AT NORTH WEBER FILING NO. 1



Design Aspects

- 12 DU/Building vs. 2 DU/Building
- Mix of modern and traditional design
- Open Space in between buildings
- Covered Parking available
- Community space in the Commercial building



HOUSING NEEDS



COLORADO

Division of Housing

Affordable Housing Toolkit for Local Officials

THE HOUSING CONTINUUM

The housing continuum depicts housing affordability at different AMI levels. AMI will vary across different regions due to market differences.

Figure 1: CHFA's Housing Continuum



Source: https://www.chfainfo.com/getattachment/a7f4be85-7a8e-4783-b5f4-d4d48763761a/WP_HousingContinuum.pdf

UNIT MIX AND ATTAINABILITY

We are targeting the Middle-Income (Missing Middle) Renter

Unit Type	# of Units	Average Square Feet	Estimated Rent
1 Bed / 1 Bath	24	696	\$ 1,610.00
2 Bed / 2 Bath	66	915	\$ 1,810.00
3 Bed / 2 Bath	30	1159	\$ 2,012.00
Average Rent		932	\$ 1,820.50

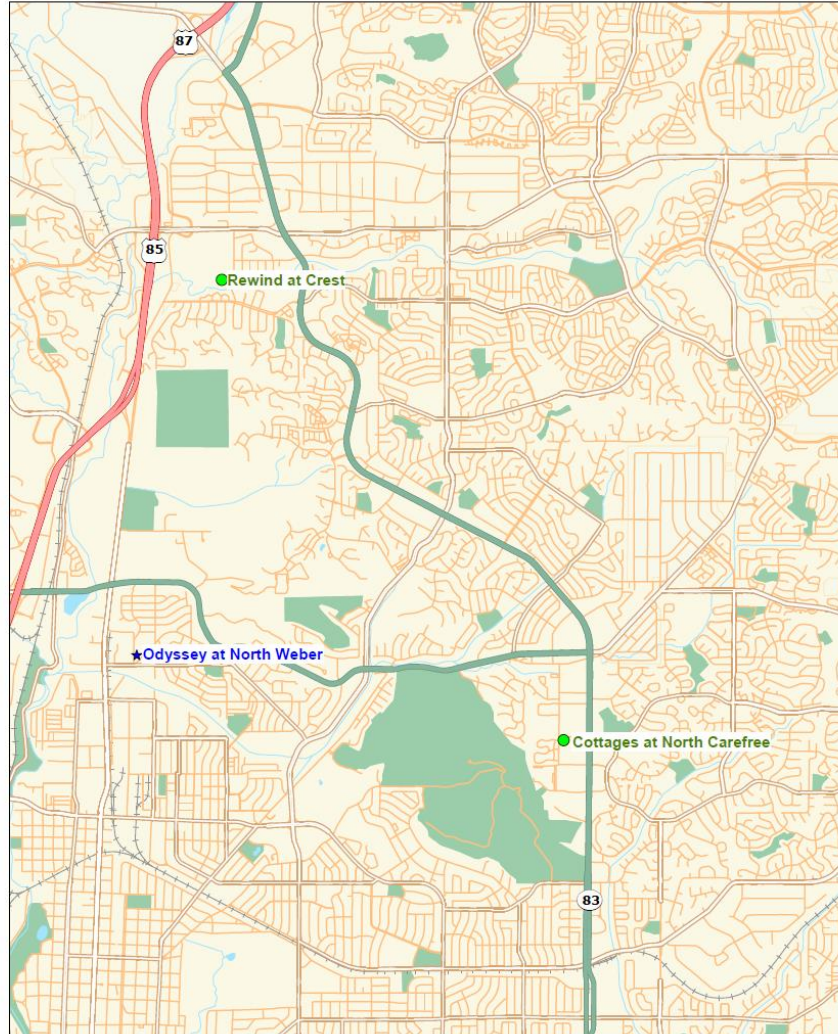
Household Size	AMI Percentage	Annual Income (\$)	Max Monthly Rent (\$)	Odyssey Units	1 Bed / 1 Bath	2 Bed / 2 bath	3 Bed / 2 Bath
				Rent	\$1,610.00	\$1,810.00	\$2,012.00
1-Person	80%	\$ 56,350.00	\$ 1,408.75				
1-Person	100%	\$ 70,400.00	\$ 1,760.00				
1-Person	120%	\$ 84,480.00	\$ 2,112.00				
2-Person	80%	\$ 64,400.00	\$ 1,610.00				
2-Person	100%	\$ 80,450.00	\$ 2,011.25				
2-Person	120%	\$ 96,540.00	\$ 2,413.50				
3-Person	80%	\$ 72,450.00	\$ 1,811.25				
3-Person	100%	\$ 90,500.00	\$ 2,262.50				
3-Person	120%	\$ 108,600.00	\$ 2,715.00				
4-Person	80%	\$ 80,500.00	\$ 2,012.50				
4-Person	100%	\$ 100,550.00	\$ 2,513.75				
4-Person	120%	\$ 120,660.00	\$ 3,016.50				

References:

1. HUD Income Limits: <https://www.huduser.gov/portal/datasets/il.html>
2. Colorado Housing and Finance Authority: <https://www.chfainfo.com>

LOCATION

New Supply Primary Market Map

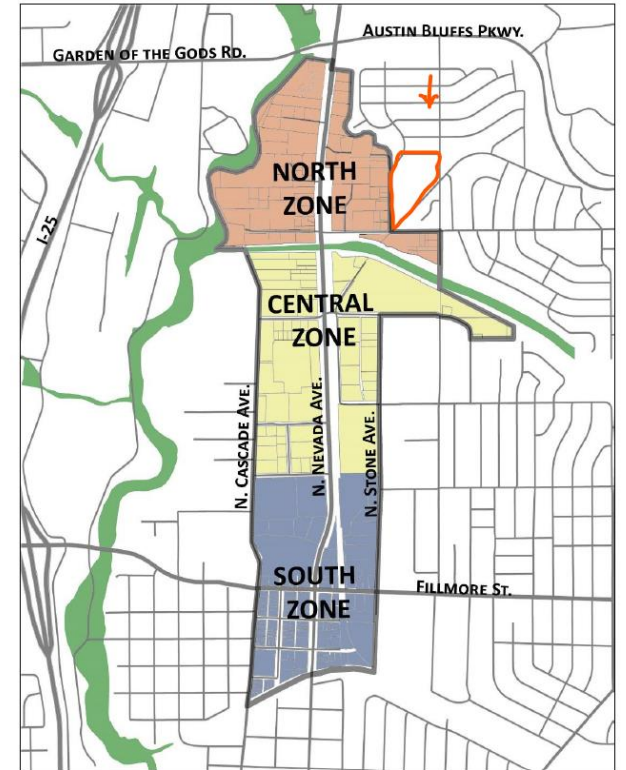


Green Circles - Under Construction

Blue Star - Proposed



Figure 5.2: North Nevada Avenue Planning Zones



*Apartment Appraisers & Consultants, Inc. (2024, February)
Odyssey at North Weber market study report.
Prepared for Mr. Stephen Chasteen, Regions Bank.

SUPPLY AND DEMAND

Colorado Springs Metro Wide Supply:

Metropolitan demand is estimated to be 2,350 units per year, indicating a **5.7-year supply** in the pipeline during the next **3 years**. These supply and demand conditions are expected to result

Primary Market Supply:

must be absorbed. We have projected average demand for approximately 250 units per year, indicating **1.8 years of supply** in the pipeline during the **next 3 years**. Affordable and age restricted

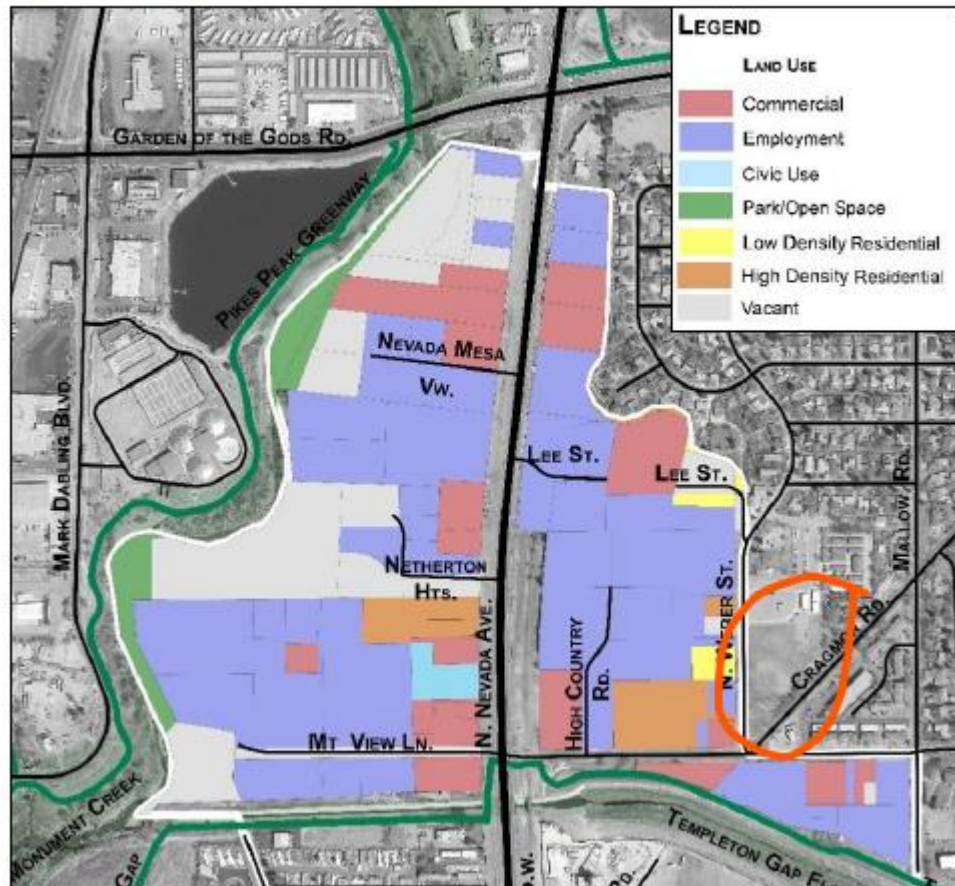
Odyssey at North Weber Primary Market Area

SUPPLY/DEMAND TREND ANALYSIS Primary Market Area				
Category	Input	Yr. 1	Yr. 2	Yr. 3
All properties in the PMA including affordable & senior				
Total Supply/Inventory, Beg. of Year (BoY)	6,747	6,747	6,931	7,016
Less: Annual Demolitions/Conversions	0.20%	-13	-14	-14
Plus: New Units Added				
Under Construction, Not In Lease-up	296	197	99	0
Proposed, Excluding Subject	0	0	0	0
Subject Units	120	0	0	120
= Total Supply Additions	416	197	99	120
Supply/Inventory, End of Year (EoY)		6,931	7,016	7,122
Demand:				
Occupied Units, BoY	6,230	6,230	6,480	6,730
Annual Rental Household Growth	250	250	250	250
Demand: Occupied Units, EoY		6,480	6,730	6,980
Vacant Units, EoY				
Overall Vacancy *	7.7%	6.5%	4.1%	2.0%
Less: Stable Vacant Units				
	5%	347	351	356
Total Supply Surplus (+)/Deficit (-)		104	-65	-214
Annual Supply Surplus (+)/Deficit (-)		-66	-165	-144
* Includes stabilized properties of all types and properties in lease-up.				

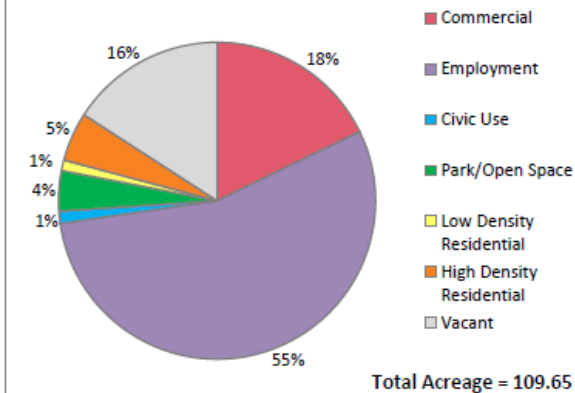
*Apartment Appraisers & Consultants, Inc. (2024, February 23).
Odyssey at North Weber market study report*.
Prepared for Mr. Stephen Chasteen, Regions Bank.

RENEW NORTH NEVADA MASTER PLAN

Figure 5.3: North Zone Existing Land Use Plan



North Zone: Existing Land Use



Preferred Land Use

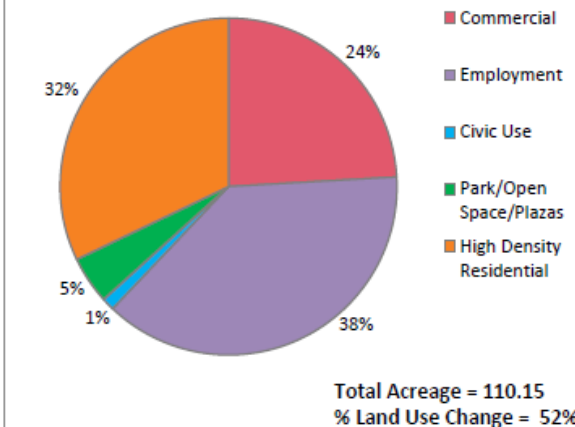


Figure 5.5: North Zone Plan Goals

Land Use Goals:

- ❖ Build upon the existing neighborhood center by encouraging the inclusion of residential adjacent and above and incorporating an urban plaza.
- ❖ Capitalize on the mountain views on the west side of the area with hotel and/or market rate high-density housing.
- ❖ Create a student village with housing and local retail/restaurants.
- ❖ Encourage adaptive reuse of properties in this zone to support UCCS activities and student population.
- ❖ Encourage employment uses that support UCCS medical programs.
- ❖ Relocate ComCor to facilitate redevelopment.
- ❖ Create a pocket park at the Southeast corner of Mount View Lane/North Nevada Avenue that could double as a water quality facility.

Mobility Goals:

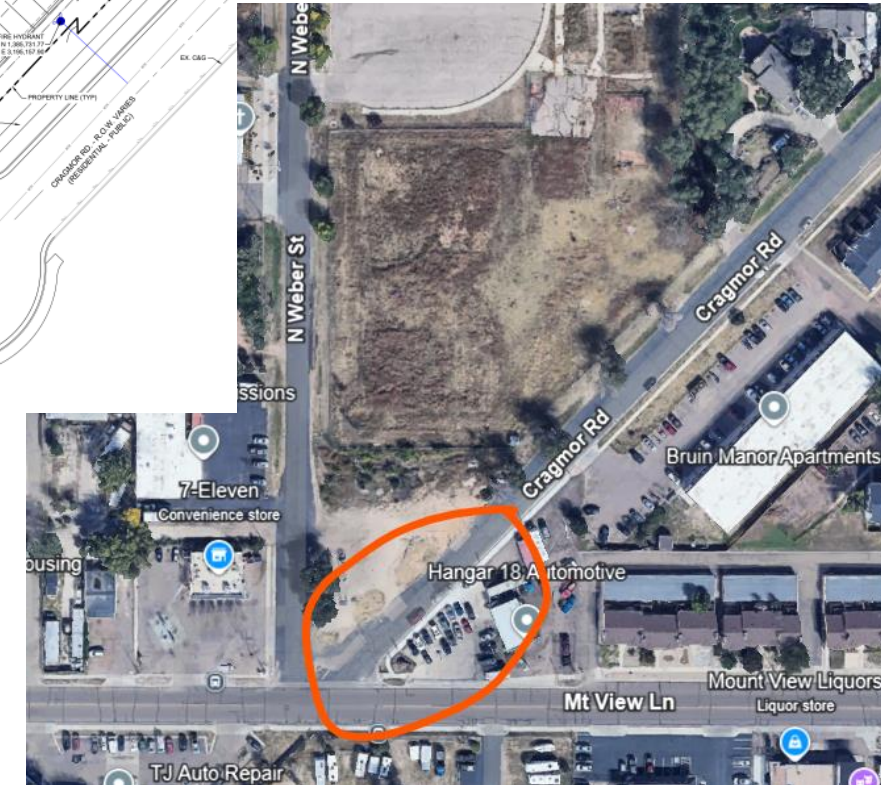
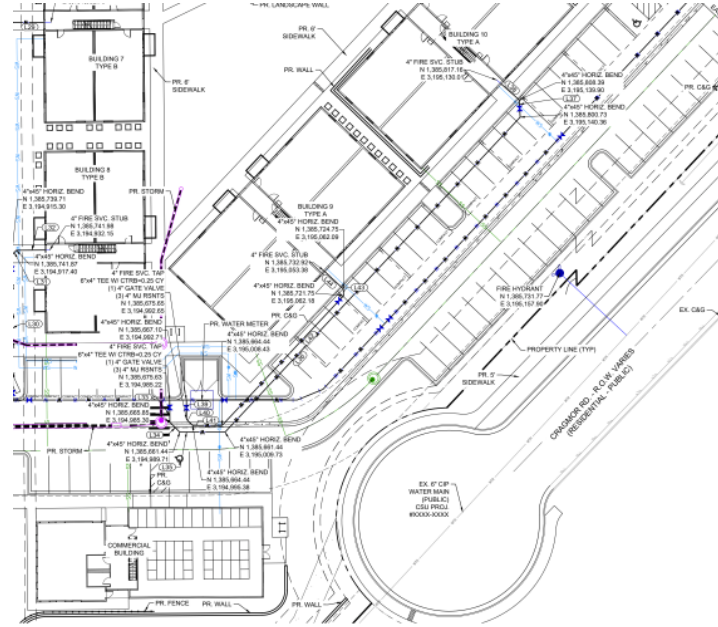
- ❖ Include curb, gutter, sidewalk and bike lanes on North Nevada Avenue.
- ❖ Improve vehicular connectivity across Templeton Gap drainage by extending Cascade Avenue north and Mallow Road south.
- ❖ Provide a transit stop at Mount View Lane intersection.
- ❖ Encourage the connection of Lee Street to Weber Street.
- ❖ Improve the Templeton Gap trail crossing at Nevada Avenue, preferably via an underpass.
- ❖ Utilize the railroad right of way for trail and transit use.

Preferred Uses:

- ❖ Hotel
- ❖ Independent retail/restaurants
- ❖ Student housing
- ❖ Medical Office/Research & Innovation
- ❖ Local employment
- ❖ Market rate multi-family residential

PUBLIC IMPROVEMENTS

- Cul-de-Sac at Cragmor and Mountview that will eliminate a dangerous intersection
- Well lit walkways and improved streetscape
- New sidewalks along both Cragmor and Weber
- Art
- New housing in an area that has been lacking new development for decades
- Will kickstart development for the North Segment of the Master Plan



ELIGIBILITY

Blight Factors:

- (d) Unsanitary or Unsafe Conditions.
 - Campers have left needles and trash creating unsafe and unsanitary conditions
 - Illegal Dumping and Fires by homeless
- (b) Predominance of defective or inadequate street layout.
 - Intersection of Cragmor and Mountview creates a dangerous intersection
 - Lack of protection for civilians without adequate sidewalks or crosswalks
- (k.5) The existence of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings, or other improvements
 - Empty lot has attracted urban campers that are interfering with neighboring business with litter and theft. PD has had multiple calls to the site for complaints
- (I) If there is no objection by the property owner or owners and the tenant or tenants of such owner or owners, if any, to the inclusion of such property in an urban renewal area, "blighted area" also means an area that, in its present condition and use and, by reason of the presence of any one of the factors specified in paragraphs (a) to (k.5) of this subsection (2), substantially impairs or arrests the sound growth of the municipality, retards

"But For" Project Gap

- Current project costs create a yield on cost at barely a 6% and current equity is requiring at least a 6.5% yield on cost which can be obtained with help from the URA and implementing a property tax renewal area

FINANCIALS

KEY ASSUMPTIONS & RETURN METRICS

Growth Rates - Rental Income / Expenses	3.00% / 2.27%
Effective Rent - PSF / Per Unit	1.95 / 1,821
General Vacancy & Credit Loss	7.00%
Operating Expense Ratio	28.64%
Breakeven Occupancy (Untrended)	76.49%

USES	%	/Buildable SF	/Unit	Amount
Land Costs	5.2%	12.90	13,900	1,668,000
Hard Costs	79.2%	195.22	210,433	25,252,000
Soft Costs	9.2%	22.67	24,439	2,932,725
Carry Costs	6.4%	15.79	17,024	2,042,909
Total Uses	100.0%	246.58	265,797	31,895,634

DEVELOPMENT RETURNS

	Untrended	Trended
Yield-on-Cost	6.06%	6.36%
Yield-on-Cost w/URA	6.33%	6.63%

WEBER APARTMENTS

Colorado Springs, CO

ANNUAL CASH FLOW

	Analysis Year Period Ending	Year 0 Sep-2024	Year 1 Sep-2025	Year 2 Sep-2026	Year 3 Sep-2027	Year 4 Sep-2028	Year 5 Sep-2029
ANNUAL DEVELOPMENT CASH FLOWS							
Land Costs		1,668,000	-	-	-	-	-
Hard Costs		-	17,237,786	8,014,214	-	-	-
Soft Costs		370,000	1,954,392	608,333	-	-	-
TOTAL PROJECT COST BEFORE FINANCING		2,038,000	19,192,177	8,622,548	-	-	-
Carry Costs		-	1,246,663	796,245	-	-	-
TOTAL PROJECT COST		2,038,000	20,438,840	9,418,793	-	-	-
SOURCES		2,038,000	20,438,840	9,418,793	-	-	-
USES		2,038,000	20,438,840	9,418,793	-	-	-
ANNUAL OPERATING CASH FLOWS							
Rental Income		-	-	856,783	2,732,568	2,816,630	2,903,278
Other Income		-	-	103,824	285,170	293,725	302,537
Retail Income (Net of Expenses)		-	-	197	2,187	2,187	2,187
TOTAL POTENTIAL INCOME		-	-	960,804	3,019,925	3,112,543	3,208,002
- General Vacancy and Credit Loss		-	-	(59,975)	(191,280)	(197,164)	(203,229)
EFFECTIVE GROSS REVENUE		-	-	900,829	2,828,645	2,915,379	3,004,772
OPERATING EXPENSES							
Repairs and Maintenance		-	-	18,792	25,543	26,053	26,574
Payroll		-	-	172,883	234,991	239,691	244,485
General & Administrative		-	-	23,684	36,781	37,517	38,267
Marketing		-	-	26,308	35,760	36,475	37,204
Utilities		-	-	77,051	140,204	143,709	147,302
Contract Services		-	-	-	-	-	-
Make Ready Cost		-	-	18,050	24,651	25,268	25,899
Management Fee		-	-	27,031	84,925	87,527	90,209
Insurance		-	-	67,688	92,442	94,753	97,122
Property Taxes		-	-	45,356	85,232	119,131	130,250
TOTAL OPERATING EXPENSES		-	-	476,843	760,529	810,124	837,312
OER		-	-	52.93%	26.89%	27.79%	27.87%
NET OPERATING INCOME		-	-	423,986	2,068,116	2,105,255	2,167,460
CAPITAL EXPENDITURES		-	-	24,007	65,325	66,883	68,479
CASH FLOW FROM OPERATIONS		-	-	399,979	2,002,791	2,038,372	2,098,981

VIABILITY

Financing:

- Currently working on a HUD 221 (d)(4) loan with Regions Bank
- Through Concept and working on Firm Application
 - 3rd and Last Step prior to approval
 - Received positive feedback and support from HUD for the P

Reports:

- Completed a Market study showing excess demand in primary area
- First round HUD appraisal confirming rents and expense estimates

Status:

- Building plans are currently in review with PPRBD
- Approved Development Plan from the City

Team:

- Experienced Operators
- Experienced developers
- Dedicated to Colorado Springs

DEVELOPMENT TEAM

Odyssey at North Weber is a Joint Venture between Blue Truck Capital and Narrate Holdings.



Blue Truck Capital is a value add and ground-up development group that has participated in every aspect of a property's life cycle. The principals have led in closing or operating real estate deals and businesses in excess of \$150MM. Blue Truck Capital specializes in off-market deals that are structured to decrease investor risk and provide above-market returns.



Narrate Holdings is a Denver-based real estate firm specializing in the development of multifamily and mixed-use properties as well as existing value-add opportunities in select metropolitan markets. We are an experienced team of professionals focused on acquiring and developing multifamily/mixed-use properties in quality locations that deliver long-term stable cash flow and asset appreciation.