

## RESOLUTION 2024-06-13

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) REGARDING THE CURRENT PROPOSALS FOR CITY INCENTIVES TO FACILITATE RESTORATION OF THE THREE BUILDINGS COLLECTIVELY REFERRED TO AS THE “LAURA TRIO” AND ASSOCIATED NEW CONSTRUCTION MULTIFAMILY AND HOTEL; FINDING THAT FURTHER NEGOTIATION AT THIS TIME IS NOT IN THE BEST INTEREST OF THE CITY; RECOMMENDING THAT CITY COUNCIL REJECT THE DEVELOPER’S REQUEST FOR INCENTIVES AS PROPOSED; AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO FORWARD THIS RESOLUTION TO THE MAYOR AND CITY COUNCIL AND OTHERWISE TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS,** Laura Trio, LLC, is the owner of three (3) historic buildings collectively referred to as the “Laura Trio” a/k/a “Laura Street Trio” and individually known as the Florida National Bank Building, the Bisbee Building and the Florida Life Insurance Building” which the DIA and City would like to see restored and returned to productive use; and

**WHEREAS,** DIA has recommended and the City has approved several prior redevelopment agreements with Developer to facilitate the restoration of these buildings, but the Developer has failed to commence restoration work and perform under those agreements; and

**WHEREAS,** at the direction of City Council, the DIA has reviewed the Developer’s latest incentive requests without regard to ROI and normal program parameters and staff provided a responsive terms sheet with structural modifications that would protect the City’s investment and be legally permissible under Florida law- all of which are attached hereto;

**WHEREAS,** the DIA makes its recommendation herein in recognition of its mission to drive growth in business and investment, create a vibrant urban living environment, and enhance quality of life in Downtown Jacksonville through the transparent and responsible leveraging of public investments, assets, infrastructure, and policy.

**NOW THEREFORE, BE IT RESOLVED,** by the Downtown Investment Authority:

**Section 1.** The DIA finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

**Section 2.** The DIA finds that notwithstanding the importance of restoration of the Laura Street Trio, the Developer’s lack of equity and liquidity impairs the Developer’s ability to

obtain commercial financing in an already difficult market and the use of City funds to effectively replace Developer's equity is not responsible leveraging of public investment..

**Section 3.** Therefore, the DIA finds that further negotiation at this time is not in the best interest of the city and recommends that City Council reject the developer's request for incentives.

**Section 4.** The DIA advises staff that until such time as the Developer accepts an equity partner or otherwise raises sufficient equity and can provide the liquidity required by commercial lenders, and can provide actual commitment letters from commercial letters willing to finance the project, staff should not entertain further incentive requests from Developer.

**Section 5.** The Effective Date of this Resolution is the date upon execution of this Resolution by the Chair of the DIA Board.

WITNESS:

**DOWNTOWN INVESTMENT AUTHORITY**

  
\_\_\_\_\_

  
\_\_\_\_\_  
Patrick Krechowski, Chairman

  
\_\_\_\_\_  
Date

VOTE: In Favor: 6 Opposed: 0 Abstained: 0



SouthEast Development Group, LLC  
PO Box 5160  
Jacksonville, Florida 32247

**Stephen L Atkins**  
Principal & Managing Director  
904 993 1879

April 24, 2024

Laura Street Trio; Adaptive Reuse Development - Downtown Jacksonville

SouthEast Development Group, LLC is pleased to present this summary of the proposed financing structure for the complete development program for the Laura Street "Trio", to be executed through a public-private partnership with the City of Jacksonville, Florida.

### Development Financing Summary

**Total Development Costs: \$191,224,041**

**Multifamily:** 169 Total Apartment Units; 27% @ 80% AMI

Total Development Costs: \$92,542,016

Total Equity: \$9,438,016

Senior Lender: Goldman Sachs Bank, USA

Total Loan: \$33,000,000

Rate: 10.0%

Term: 5-Years

Bridge Lender: Goldman Sachs Bank, USA

Total Loan: \$22,034,000 (DPRP)

Rate: 10.0%

Term: 5-Years

Completion Guarantee: Turner, Inc.

**Hotel:** 143 Total Rooms - Four Star; Conference Center, Restaurant, Cafe, 4 Bar Venues

Total Development Costs: \$98,682,025

Total Equity: \$14,157,025

Senior Lender(s): JPMorgan Chase, NA

Goldman Sachs Bank, USA

United Brotherhood of Carpenters & Joiners of America (Pension Fund)

Peachtree Group, LLC

Barings (MassMutual)

Total Loan: \$27,095,000

Rate: 8.25%

Term: 5-Years

Senior Insurance: RVI - Lockton Group

Total Coverage: \$10,000,000 (Approved) to \$20,000,000

C-Pace Lender: Peachtree Group, LLC

Total Loan: \$34,825,000

Rate: 7.50%

Term: 30-Years (Refinance Year 5)

Completion Guarantee: Turner, Inc.

### Public Investments:

- (1) \$21,175,000 City Grant; Paid @ Financial Close
- (2) \$27,500,000 City Grant; Paid pari-passu with Construction
- (3) \$22,034,000 DPRP Funds; Paid upon issuance of Certificate of Occupancy
- (4) \$2,000,000 Forgivable Loan; Paid upon approval of COJ Redevelopment Agreement
- (5) Proposed REV Grant reduced from 20-Years to 10-Years Valuation



**LAURA STREET TRIO - HISTORIC PRESERVATION & ADAPTIVE REUSE**  
 51 West Forsyth Street  
 Jacksonville, Florida 32202

Hotel & Multifamily 4/24/2024

Autograph Collection Hotel by Marriott - Four Star Rated  
 143 Rooms; 7,000 SF Conference Center, 170-Seat Restaurant/Bar, Street-level Cafe/Bar; Underground/Speakeasy Lodge, Rooftop Bar

The Klutho at Laura Street - Multifamily Residential Apartments  
 169 Units (27% Attainable-Workforce Housing @ 80% AMI); 6,550 SF Ground-Level Retail

Owner:	Laura Trio, LLC Contact: Steve Atkins	(904) 993-1879 <a href="mailto:satkins@southeastgroup.com">satkins@southeastgroup.com</a>	Financial Advisor/Placement Agent:	Piper Sandler & Co. Contact: Joe Niggel	(704) 517-4403 <a href="mailto:joe.niggel@psc.com">joe.niggel@psc.com</a>
Developer:	SouthEast Development Group, LLC Contact: Steve Atkins	(904) 993-1879 <a href="mailto:satkins@southeastgroup.com">satkins@southeastgroup.com</a>	HTC Accounting Consultant:	Herdlick Tax Credit, LLC Contact: Dave Herdlick	(314) 540-0890 <a href="mailto:daveherdlick@herdlicktaxcreditllc.com">daveherdlick@herdlicktaxcreditllc.com</a>
A&E Lead:	Dasher Hurst Architects, PA Contact: Tom Hurst, AIA	(904) 425-1190 <a href="mailto:thurst@dasherhurst.com">thurst@dasherhurst.com</a>	Federal HTC Consultant:	Urban Trust Capital, LLC Contact: Andy Ham	(904) 868-2100 <a href="mailto:andrewham@urbantrustcapital.com">andrewham@urbantrustcapital.com</a>
Hotel Design:	Gensler Contact: Jason Snyder, AIA LEED AP BD+C	(404) 507-0950 <a href="mailto:jason_snyder@gensler.com">jason_snyder@gensler.com</a>			
General Contractor:	Turner Construction, Co. Contact: Jeff Justen	(404) 379-1672 <a href="mailto:jjusten@tcco.com">jjusten@tcco.com</a>			
Senior Subcontractor:	Danis Construction, Inc Contact: Dave Kottmyer	(904) 724-6045 <a href="mailto:david.kottmyer@danis.com">david.kottmyer@danis.com</a>			

Laura Trio Hotel & Multifamily Capital Stack

<b>SOURCES</b>						
	<b>Hotel</b>	<b>%</b>	<b>Multifamily</b>	<b>%</b>	<b>Total</b>	<b>%</b>
Developer / Investor Equity	14,157,025	14%	9,438,016	10%	23,595,041	12%
COJ Contribution (Financial Close)	9,405,000	10%	11,770,000	13%	21,175,000	11%
COJ Contribution (Pari-Passu w/Construction)	12,000,000	12%	15,500,000	17%	27,500,000	14%
COJ DPRP Program (Bridge to C.O.)	-	0%	22,034,000	24%	22,034,000	12%
COJ Economic Development Loan	1,200,000	1%	800,000	1%	2,000,000	1%
C-PACE Loan	34,825,000	35%	-	0%	34,825,000	18%
Senior Debt	27,095,000	27%	33,000,000	36%	60,095,000	31%
<b>TOTAL SOURCES:</b>	<b>98,682,025</b>	<b>100%</b>	<b>92,542,016</b>	<b>100%</b>	<b>191,224,041</b>	<b>100%</b>
<b>USES</b>						
	<b>Hotel</b>	<b>%</b>	<b>Multifamily</b>	<b>%</b>	<b>Total</b>	<b>%</b>
Soft Costs (Predevelopment)	2,912,273	3%	2,382,768	3%	5,295,041	3%
Soft Costs (Construction)	11,544,752	12%	7,255,248	8%	18,800,000	10%
Hard Costs (Construction)	64,701,119	66%	67,874,997	73%	132,576,116	69%
Retire Bridge Loan	4,030,000	4%	2,170,000	2%	6,200,000	3%
Financing & Placement Fees	1,290,813	1%	1,950,680	2%	3,241,493	2%
Legal Fees	600,000	1%	400,000	0%	1,000,000	1%
Senior Debt Insurance Premium	1,000,000	1%	-	0%	1,000,000	1%
Capitalized Interest (C-PACE)	7,464,323	8%	-	0%	7,464,323	4%
Capitalized Interest (Senior Debt)	2,424,811	2%	6,025,055	7%	8,449,866	4%
Debt Service Reserve Fund	2,709,500	3%	4,483,268	5%	7,192,768	4%
Additional Proceeds	4,434	0%	-	0%	4,434	0%
<b>TOTAL USES:</b>	<b>98,682,025</b>	<b>100%</b>	<b>92,542,016</b>	<b>100%</b>	<b>191,224,041</b>	<b>100%</b>
<i>Insurance on Senior Debt</i>	<i>10,000,000</i>					
<i>LTC @ C/O</i>	<i>61%</i>		<i>40%</i>			

Hotel P&L	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Operating Year #	0	0	0	1	2	3	4
Fiscal Year #	0	1	2	3	4	5	6

#### Operating Revenues

Rooms	-	-	-	7,209,000	8,194,000	8,976,000	9,245,000
Food	-	-	-	7,426,000	8,161,000	8,669,000	8,930,000
Beverage	-	-	-	5,075,000	5,483,000	5,780,000	5,953,000
Other Operated Departments	-	-	-	194,000	218,000	232,000	239,000
Parking	-	-	-	642,000	734,000	788,000	812,000
Miscellaneous Income	-	-	-	10,000	11,000	12,000	12,000
<b>Total Operating Revenues</b>	-	-	-	<b>20,556,000</b>	<b>22,801,000</b>	<b>24,457,000</b>	<b>25,191,000</b>

#### Departmental Expenses

Rooms	-	-	-	1,650,000	1,758,000	1,840,000	1,895,000
Food & Beverage	-	-	-	8,835,000	9,333,000	9,733,000	10,025,000
Other Operated Departments	-	-	-	105,000	111,000	116,000	119,000
<b>Total Expenses</b>	-	-	-	<b>10,590,000</b>	<b>11,202,000</b>	<b>11,689,000</b>	<b>12,039,000</b>
<b>Departmental Income</b>	-	-	-	<b>9,966,000</b>	<b>11,599,000</b>	<b>12,768,000</b>	<b>13,152,000</b>

#### Undistributed Operating Expenses

Administrative & General	-	-	-	984,000	1,031,000	1,072,000	1,105,000
Info & Telecom Systems	-	-	-	118,000	124,000	129,000	133,000
Marketing	-	-	-	551,000	577,000	601,000	619,000
Franchise Fee	-	-	-	324,000	369,000	404,000	508,000
Prop. Operations & Maint.	-	-	-	315,000	371,000	429,000	442,000
Utilities	-	-	-	315,000	330,000	343,000	353,000
<b>Total Expenses</b>	-	-	-	<b>2,607,000</b>	<b>2,802,000</b>	<b>2,978,000</b>	<b>3,160,000</b>
<b>Gross Operating Profit</b>	-	-	-	<b>7,359,000</b>	<b>8,797,000</b>	<b>9,790,000</b>	<b>9,992,000</b>
Management Fee	-	-	-	617,000	684,000	734,000	756,000
<b>Income Before Non-Opr. Inc. &amp; Exp.</b>	-	-	-	<b>6,742,000</b>	<b>8,113,000</b>	<b>9,056,000</b>	<b>9,236,000</b>

#### Non-Operating Income & Expense

Property Taxes	-	-	-	165,000	166,000	171,000	175,000
Insurance	-	-	-	283,000	292,000	300,000	309,000

#### C-PACE Loan Payable

Principal	-	-	-	275,848	291,408	34,600,321	-
Interest	-	1,483,032	2,990,645	2,990,645	2,975,085	2,941,931	-
Less: Gross Refi Proceeds	-	-	-	-	-	(34,600,321)	-
Less: Capitalized Interest	-	(1,483,032)	(2,990,645)	(2,990,645)	-	-	-
<b>Net Debt Service Obligation Payable</b>	-	-	-	<b>275,848</b>	<b>3,266,493</b>	<b>2,941,931</b>	-
C-PACE Admin Fee	-	-	-	5,517	65,330	65,330	-
<b>Total Expenses</b>	-	-	-	<b>729,365</b>	<b>3,789,823</b>	<b>3,478,261</b>	<b>484,000</b>
<b>EBITDA</b>	-	-	-	<b>6,012,635</b>	<b>4,323,177</b>	<b>5,577,739</b>	<b>8,752,000</b>
Reserve for Replacement	-	-	-	411,000	684,000	978,000	1,008,000
<b>EBITDA LESS RESERVE</b>	-	-	-	<b>5,601,635</b>	<b>3,639,177</b>	<b>4,599,739</b>	<b>7,744,000</b>
Plus: REV Grant	-	-	-	-	251,571	251,571	251,571
<b>NDI w/ REV Grant</b>	-	-	-	<b>5,601,635</b>	<b>3,890,748</b>	<b>4,851,310</b>	<b>7,995,571</b>

#### Senior Debt (Series 2024A) Payable

Principal	-	-	-	-	-	27,095,000	-
Interest	31,283	504,731	1,520,312	2,231,267	2,235,338	1,862,781	-
Less: Gross Refi Proceeds	-	-	-	-	-	(27,095,000)	-
Less: Capitalized Interest	(31,283)	(504,731)	(1,520,312)	(368,486)	-	-	-
<b>Net Debt Service Obligation Payable</b>	-	-	-	<b>1,862,781</b>	<b>2,235,338</b>	<b>1,862,781</b>	-
Senior DSCR	N/A	N/A	N/A	3.01x	1.74x	2.60x	N/A

#### LOAN BALANCES

##### C-PACE

Beginning Balance Outstanding	34,825,000	34,825,000	34,825,000	34,825,000	34,549,152	34,257,743	-
Plus: Early Redemption Premium	-	-	-	-	-	342,577	-
Less: Principal Paid	-	-	-	(275,848)	(291,408)	(34,600,321)	-
<b>Ending Balance Outstanding</b>	<b>34,825,000</b>	<b>34,825,000</b>	<b>34,825,000</b>	<b>34,549,152</b>	<b>34,257,743</b>	<b>-</b>	<b>-</b>

##### Series 2024A

Beginning Balance Outstanding	1,303,791	3,078,286	11,559,589	26,502,927	27,095,000	27,095,000	-
Plus: Draws	1,774,495	8,481,303	14,943,338	592,073	-	-	-
Less: Principal Paid	-	-	-	-	-	(27,095,000)	-
<b>Ending Balance Outstanding</b>	<b>3,078,286</b>	<b>11,559,589</b>	<b>26,502,927</b>	<b>27,095,000</b>	<b>27,095,000</b>	<b>-</b>	<b>-</b>

Multifamily P&L	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Operating Year #	0	0	0	1	2	3	4
Fiscal Year #	0	1	2	3	4	5	6

#### Operating Revenues

Gross Potential Rent	-	-	-	4,255,788	5,009,671	5,159,961	5,314,759
Less: Vacancy	-	-	-	(127,674)	(150,290)	(154,799)	(159,443)
Net Rental Revenue	-	-	-	4,128,114	4,859,380	5,005,162	5,155,317
Net Other Income	-	-	-	174,062	204,895	211,042	217,374
Net Retail Income	-	-	-	203,859	239,972	247,171	254,586
Net Pass-Thru	-	-	-	310,593	365,613	376,581	387,878
Effective Gross Income	-	-	-	4,816,629	5,669,860	5,839,956	6,015,154

#### Operating Expenses

Advertising & Marketing	-	-	-	23,200	23,896	24,613	25,351
Administrative	-	-	-	5,487	5,652	5,821	5,996
Payroll	-	-	-	55,440	57,103	58,816	60,581
Turnover	-	-	-	10,735	11,057	11,389	11,730
Maintenance	-	-	-	127,800	131,634	135,583	139,651
Parking	-	-	-	210,000	216,300	222,789	229,473
Utilities	-	-	-	155,942	160,620	165,439	170,402
Management Fee	-	-	-	144,499	170,096	175,199	180,455
Service Fee	-	-	-	146	150	155	160
Real Estate Taxes	-	-	-	513,612	529,020	544,891	561,238
Personal Property Taxes	-	-	-	6,200	6,386	6,578	6,775
Property Insurance	-	-	-	400,000	412,000	424,360	437,091
Workers Comp Insurance	-	-	-	2,352	2,423	2,495	2,570
Total Operating Expenses	-	-	-	1,655,413	1,726,337	1,778,127	1,831,471
Florida Sales & Use Taxes Payable	-	-	-	1,427	1,680	1,730	1,782
Net Operating Income	-	-	-	3,159,789	3,941,843	4,060,098	4,181,901
Plus: REV Grant	-	-	-	-	370,626	370,626	370,626
NOI w/ REV Grant	-	-	-	3,159,789	4,312,469	4,430,724	4,552,527

#### Debt Service Payable

Principal	-	-	-	-	-	33,000,000	-
Interest	18,987	689,409	3,493,565	3,473,094	3,300,000	2,750,000	-
Less: Gross Refi Proceeds	-	-	-	-	-	(33,000,000)	-
Less: Capitalized Interest	(18,987)	(689,409)	(3,493,565)	(1,823,094)	-	-	-
Net Debt Service Obligation Payable	-	-	-	1,650,000	3,300,000	2,750,000	-
DSCR	N/A	N/A	N/A	1.92x	1.31x	1.61x	N/A

#### LOAN BALANCES

##### Series 2024B

Beginning Balance Outstanding	939,142	1,754,611	18,911,410	53,771,280	33,000,000	33,000,000	-
Plus: Draws	815,469	17,156,798	34,859,870	-	-	-	-
Less: Funds at C/O	-	-	-	(22,034,000)	-	-	-
Less: Principal Paid	-	-	-	-	-	(33,000,000)	-
Ending Balance Outstanding	1,754,611	18,911,410	53,771,280	31,737,280	33,000,000	-	-





# Downtown Investment Authority

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The Downtown Investment Authority of the City of Jacksonville has been charged by City Council with the responsibility to review terms proposed by the property owner and development team led by the Southeast Group, and Mr. Steve Atkins (“Developer”), in conjunction with the redevelopment of three historic properties in City Center, Downtown Jacksonville known as the Laura Street Trio, and construction of two new buildings adjoining the historic properties.

1. We have been advised by OGC that the proposed structure will not give rise to the same constitutional concerns that were present in the prior request presented to council in January.
2. Any Resolution or DIA action will acknowledge that our review has been performed, at Council direction, without regard to existing program criteria or return on investment standards. Those criteria would otherwise dictate a recommendation not to proceed.
3. Any Resolution or DIA action will identify that approval of the terms proposed will require waiver by City Council of the City of Jacksonville Public Investment Policy (“PIP”) requirements for a Return on Investment (“ROI”) of greater than 1X, the targeted industry requirements, the due diligence, underwriting, and public investment risk analysis, as well as a waiver of established DIA Programs or structural guidelines relating to ROI, equity injection, structure of the DPRP grants and loan and timing of payments as found in the 2022 DIA BID Plan updates. DIA Board would be asked to recommend waiver of the REV grant criteria for the Multifamily REV and Targeted Hotel REV grant to the extent required, which could then be included as a waiver by Council.
4. Any Resolution or DIA action will disclose that DIA has neither received sufficient detail and supporting documentation to fully underwrite the proposed sources and uses, or pro forma operating statements as provided in summary by the Developer, nor is it fully required given the waivers above. We can advise that it is the opinion of staff that the amounts requested are reasonably close to what we would expect to be required in today’s market for a comparable Developer with the proposed amount of equity, to be able to execute the project subject to plan and cost review.
5. The terms presented herein are structural modifications and conditions that would provide some protection to the City in light of the magnitude of the requested assistance and are provided in response to the proposed financing structure and public-private partnership as submitted by the Developer April 24, 2024. They are what staff would recommend that the Board include in any recommendation to the Council.
6. We would suggest a presentation to the Board in June with agreement on as many structural elements as possible. Any points of disagreement could be addressed by the Board as conditions of their recommendation.



**TOTAL DIA and CITY OF JACKSONVILLE FUNDING:**

Funding commitment through the Downtown Investment Authority and the City of Jacksonville of not more than \$87,233,000 as follows:

**Figure 1. - Incentive Table Summary:**

Laura Trio Adaptive Reuse Program DIA and City of Jacksonville Incentives			
	Hospitality Component	Multifamily Component	TOTALS
DIA Recaptured Enhanced Value (REV) Grant	\$ 5,670,400	\$ 8,853,600	\$14,524,000
<b>COJ Grant Incentives Proposed</b>			
Economic Development Loan	\$ 5,230,000	\$ 2,970,000	\$ 8,200,000
Completion Grant Paid Pari Passu During Construction	\$17,375,000	\$25,100,000	\$42,475,000
Historic Preservation Grant Paid upon Completion	\$16,010,000	\$ 6,024,000	\$22,034,000
<b>Subtotal</b>	<b>\$38,615,000</b>	<b>\$34,094,000</b>	<b>\$72,709,000</b>
<b>TOTAL DIA AND COJ FINANCIAL SUPPORT</b>	<b>\$44,285,400</b>	<b>\$42,947,600</b>	<b>\$87,233,000</b>

**COJ GRANTS/FORGIVABLE LOANS:**

**COJ Economic Development Loan(s)**

**\$8,200,000**

1. Advanced upon execution of the RDA.
2. \$2 million Balance to be forgiven upon achieving full financial closing in adherence to the Performance Schedule found herein, to include debt and equity for both projects; however, the Master Tenant to the Historic Tax Credit investment to be evidenced only by Commitment Letter.
3. Funds are required to be used to fully retire the existing \$6.2 million Bridge Loan, plus accrued interest. Committed amount may be increased to account for full-payoff amount of the underlying bridge loan reducing the pari passu completion grants pro rata.
4. Up to \$1 million may be paid out to the Developer for accrued costs and expenses related to the development.
5. Balance of 1 million to be held in escrow for use to offset cost overruns, and balance if any payable to Developer upon completion.
6. City to record 1<sup>st</sup> position mortgage,
7. Historic Tax Credit investor is not permitted to enter the LLC or execute Master Tenant agreement prior to financial closing.

**COJ Completion Grant(s)**

**\$42,475,000**

1. Fully appropriated at financial closing with funding into escrow for disbursement controlled by Construction Lender(s).
2. Unused funds to remain on the balance sheet of the SPEs or a common entity with ownership or control of the SPEs.
3. The COJ Completion grant will be forgiven at the rate of 5% annually, over a period of 20 years on the anniversary date of each such funding, so long as no uncured default exists.
4. PACE lender to have super-priority lien position at financial closing.
5. Construction lender(s) take first lien position in real property, construction plans and contracts, tangible and intangible personal property, etc.
6. COJ to record subordinate lien position in the same.

7. COJ to subordinate to perm lender upon stabilization and take out.
8. Require four parcels to be created to facilitate REV payments and secured interests:
  - a. Multifamily Historic
  - b. Multifamily New Construction
  - c. Hospitality Historic
  - d. Hospitality New Construction
9. Completion guaranty executed by Southeast Development Group/Steve Atkins to cover all cost overruns. May use \$1 million escrow from initial advance until exhausted.
10. Completion guaranty executed by Turner Construction (stipulated sum construction contract) on plans as permitted and together with any change orders or modifications. This guaranty must be provided in form acceptable to OGC.
11. Tri-party agreements entered providing info on:
  - a. Construction loan administration (draws, inspections, architect sign offs, stored materials, retainage, etc.)
  - b. Protective advances responsibility of construction lender only.
  - c. Rights and responsibilities in problem loan workout.
  - d. COJ funding limited to once every six months, pari passu with Senior Construction Lender as a percentage of original commitment.
  - e. No further advances by COJ.

**Historic Preservation Grant(s)/Forgivable Loan(s) \$22,034,000**

1. The maturity of each Historic Preservation Forgivable Loan will be five (5) years. Principal outstanding under the note(s) will be forgiven at the rate of 20% annually, on the anniversary date of each such funding, at 0% interest so long as each Forgivable Loan is not in default.
2. Evidence of National Park Service Part 3 approval is also a requirement of funding on the Historic Preservation Grant commitments.
3. Payout requires satisfactory completion of each of the three historic buildings.
4. As the development anticipates the use of Historic Tax Credits in its capitalization, DIA acknowledges that a tax credit investor may enter the ownership SPEs as a requirement of the master lease structure, whereby an entity controlled by the Developer must maintain majority ownership and controlling interest in the SPE landlord entity, and COJ will enter an SNDA with the Master Tenant for the five-year compliance period. The Developer, through its related SPE, must be the surviving entity and majority owner following exercise of the put option of the tax credit investor at the end of the five-year HTC compliance period or other exit of the tax credit investor from the ownership structure.

**Recapture Enhanced Value ("REV") Grants: \$14,524,000**

1. REV Grant for 75% of the ad valorem tax increment generated by each New Construction component of the Project for a period of 20 years.
2. Hotel REV Grant indebtedness will not exceed \$5,670,400.
3. Multifamily REV Grant indebtedness will not exceed \$8,853,600

4. REV Grant payments will be made annually beginning the first year of taxation following completion based upon the incremental increase in the Duval County Operating Millage ad valorem taxes collected above the base year amount, which shall be established as the taxable value provided by the Duval County Property Appraiser for the year prior to execution of the RDA (“HNC Annual Project Revenues”).
5. As the REV Grants are proposed on outcomes beyond program considerations typically underwritten, DIA program guidelines are hereby waived.

**Infrastructure:** No City of Jacksonville infrastructure improvements are contemplated.

**Land:** No City of Jacksonville land is committed to the project. Parking agreements within City owned parking garages or privately owned parking garages where COJ/DIA has parking rights is to be negotiated independently and will not impact project economics as presented in this Proposal response.

**Performance Schedule:**

- A. Final DDRB Approval not more than 90-days following recommendation by the DIA Board, but not later than September 30, 2024.
- B. Execution of Redevelopment Agreement(s) within thirty (30) days of City Council Approval and Bill Effective Date but not later than October 31, 2024.
- C. Apply for Building Permit as required to commence construction of each element of both components to be submitted to the COJ Building Inspection Division within not later than 60-days following City Council approval, but not later than November 30, 2024.
- D. Financial Closing to occur within 120 days following City Council approval, but not later than January 31, 2025.
- E. Commencement of Construction within 30 days following Financial Closing, but not later than March 1, 2025, to break ground and commence construction on each element of both components of the Project. Commencement of Construction means:
  - 1) As reasonably can be considered necessary so that physical construction of the eligible Project (or any applicable phase thereof) may begin and proceed to completion without foreseeable interruption:
    - a) Completion of all pre-construction engineering and design,
    - b) All necessary licenses, permits, and governmental approvals,
    - c) Engagement of general contractor(s),
    - d) Essential equipment and supplies on site; and,
  - 2) Evidence of having “broken ground” and begun physical, material renovation and construction of such improvements on an ongoing basis without any Impermissible Delays.
- F. Substantial Completion: Within twenty-four (24) months following Commencement of Construction as defined above, but not later than \_\_\_\_\_.

The DIA CEO will have the authority to extend this Performance Schedule, in the CEO’s discretion, for up to six (6) months in total for good cause shown by the Borrower / Applicant. Any extensions

to the Commencement Date shall have the same effect of extending the Completion Date simultaneously.

**Additional Requirements and Commitments:**

- A. A satisfactory review of the following is requested prior to presentation to the DIA Board for approval:
  - 1) Breakdown of soft costs as found in the Sources and Uses provided, to include Developer Fee and schedule of proposed payments.
  - 2) Breakdown of equity sources and valuation.
  - 3) Copy of the Completion Guaranty and Construction Contract
  - 4) Copy of the Historic Tax Credit documentation for the Master Tenant including pay-in schedule and SNDA for benefit of Tax Credit Master Tenant in the form proposed.
  - 5) Term sheet(s) for the construction loans shown for the Hospitality component.
  - 6) Tri-party agreement with construction lenders in the form proposed.
  - 7) Third party plan and cost review of historic and new construction components demonstrating both sufficiency and requirement of funding proposed.
- B. Funding will be made directly into escrow for the benefit of each SPE, or to a common entity with ownership or control of the SPEs, with no disbursements made to sponsor(s) or investors prior to substantial completion, except as provided for herein.
- C. DIA to be provided copies of all third-party reports and inspections, including but not limited to appraisals, market studies, surveys, plan and cost reviews, surveys, draw requests and inspection reports, and others as may be obtained for the underwriting or administration of funding for the Project.
- D. Payment defaults, or other defaults that trigger legal actions against the Developer that endanger the lien position of the City, shall also be a default on related loans or other financial awards from the City of Jacksonville on the same component.
- E. DIA reserves the right to approve any sale, disposition of collateral property, substitution of equity, substitution of collateral, or refinance of senior debt and such approval shall not be unreasonably withheld.
- F. All Property, business, and income taxes must be current at the time of application and maintained in current status throughout the approval process, the term of the Redevelopment Agreement, and through the Compliance Period.
- G. COJ to be a named, insured party in each property with minimum coverages as determined by the COJ Risk Management Division.
- H. For the purposes of this proposal response and further documentation, all economic development, completion-grant, and historic preservation grant/forgivable loan incentives will require funding through the City of Jacksonville General Fund. REV Grant funding as proposed would be paid from Northbank CRA TIF Trust Fund, following traditional REV Grant methodology.



SouthEast Development Group, LLC  
 PO Box 5160  
 Jacksonville, Florida 32247

**Stephen L Atkins**  
 Principal & Managing Director  
 904 993 1879

May 23, 2024

Mr. Steven T. Kelley, DBA  
 Downtown Investment Authority  
 117 W. Duval Street, Suite 310  
 Jacksonville, FL 32202

RE: Laura Street Trio; Adaptive Reuse Development - Downtown Jacksonville

Dear Steve:

Thank you again for meeting last Friday and providing the proposed outline of public incentives for the Laura Street Trio project. My financial team and I have reviewed the information provided and have developed the following responses for your consideration.

The terms proposed by the DIA are outlined below. Our comments are noted in (RED):

Total DIA and City of Jacksonville Funding, of not more than \$87,233,000 (\$87,233,000) as follows:

Laura Trio Adaptive Reuse Program DIA and City of Jacksonville Incentives	Hospitality	Multifamily	TOTALS
DIA Recapture Enhance Value (REV) Grant	\$0	\$0	\$0
COJ Grant Incentives Proposed			
Economic Development Loan (Approval of RDA)	\$5,330,000	\$2,970,000	\$8,300,000
Completion Grant (Pari Passu during Construction)	\$21,670,000	\$20,805,000	\$42,475,000
Historic Preservation Grant (Pari Passu during Construction)	\$0	\$22,034,000	\$22,034,000
Subtotal:	\$27,000,000	\$45,809,000	\$72,809,000
COJ Senior Construction Loan (Pari Passu during Construction)	\$14,424,000	\$0	\$14,424,000
<b>TOTAL DIA &amp; COJ FINANCIAL SUPPORT</b>	<b>\$41,424,000</b>	<b>\$45,809,000</b>	<b>\$87,233,000</b>

COJ Economic Development Loan(s) \$8,200,000 (\$8,300,000)

- Advanced upon execution of the RDA.
- \$2 million Balance to be forgiven upon achieving full financial closing in adherence to the Performance Schedule four herein, to include debt and equity for both projects; however, the Master Tenant to the Historic Tax Credit investment to be evidenced only by Commitment Letter.
- Funds are required to be used to fully retire the existing (\$6.3) million Bridge Loan, plus accrued interest. Committed amount may be increased to account for full-payoff amount of the underlying bridge loan reducing the pari passu completion grants pro rata.
- Up to \$1 (\$2) million may be (to be paid upon the approval of the RDA) to the Developer for accrued costs and expenses related to the development.
- Balance of 1 (2) million will be held in escrow for use to offset cost overruns, and balance if any payable to Developer upon completion. (Consider eliminating this condition based on current budget contingencies)
- City to record 1<sup>st</sup> position mortgage, (with a loan term of twelve months from the execution of the RDA)
- Historic Tax Credit investor is not permitted to enter the LLC or execute Master Tenant agreement prior to financial closing.

**COJ Completion Grant(s) \$42,475,000**

1. Fully appropriated at financial closing with funding into escrow for disbursement controlled by Construction Lender(s).
2. Unused funds to remain on the balance sheet of the SPEs or a common entity with ownership or control of the SPEs.
3. The COJ Completion grant will be forgiven at the rate of 5% annually, over a period of 20 (5) years on the anniversary date of each such funding, so long as no uncured default exists. (Grant(s) shall be amortized at 20% per annum)
4. PACE lender to have super-priority lien position at financial closing.
5. Construction lender(s) take first lien position in real property, construction plans and contracts, tangible and intangible personal property, etc.
6. COJ to record subordinate lien position in the same.
7. COJ to subordinate to perm lender upon stabilization and take out.
8. Require four (two) parcels to be created to facilitate REV Grant payments (Historic Tax Credits and (2) Construction Loans) and secured interests:
  - a. Multifamily Historic
  - b. Multifamily New Construction
  - c. Hospitality Historic
  - d. Hospitality New Construction (Consider reducing to two parcels with the deletion of REV Grant)
9. Completion guaranty executed by Southeast Development Group/Steve Atkins to cover all cost overruns. May use \$1 million escrow from initial advance until exhausted. (Consider Current Turner Budget Contingency in lieu of \$1,000,000 escrow)
10. Completion guaranty executed by Turner Construction (stipulated sum construction contract) on plans as permitted and together with any change orders or modifications. This guaranty must be provided in form acceptable to OGC.
11. Tri-party agreements entered providing info on:
  - a. Construction loan administration (draws, inspections, architect sign offs, stored materials, retainage, etc.)
  - b. Protective advances responsibility of construction lender only.
  - c. Rights and responsibilities in problem loan workout.
  - d. COJ funding (shall be monthly) and pari passu with Senior Construction Lender as a percentage of original commitment.
  - e. No further advances by COJ.

**Historic Preservation Grant(s)/Forgivable Loan(s) \$22,034,000**

Concurrent with funding mechanism and timing contained in COJ Completion Grant above, this loan(s) shall be fully appropriated at financial closing with funding at closing into interest-bearing escrow for disbursement controlled by Construction Lender(s).

1. The maturity of each Historic Preservation Forgivable Loan will be five (5) years. Principal outstanding under the note(s) will be forgiven at the rate of 20% annually, on the anniversary date of each such funding, at 0% interest so long as each Forgivable Loan is not in default.
2. Evidence of National Park Service Part 3 approval is also a requirement of funding on the Historic Preservation Grant commitments.

May 23, 2024

Mr. Steven T. Kelley, DBA

RE: Laura Street Trio - Adaptive Reuse Development

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3. Payout requires satisfactory completion of each of the three historic buildings.
4. As the development anticipates the use of Historic Tax Credits in its capitalization, DIA acknowledges that a tax credit investor may enter the ownership SPEs as a requirement of the master lease structure, whereby an entity controlled by the Developer must maintain majority ownership and controlling interest in the SPE landlord entity, and COJ will enter an SNDA with the Master Tenant for the five-year compliance period. The Developer, through its related SPE, must be the surviving entity and majority owner following exercise of the put option of the tax credit investor at the end of the five-year HTC compliance period or other exit of the tax credit investor from the ownership structure.

**Recapture Enhanced Value ("REV") Grants: \$14,524,000 (Waived in Full)**

1. REV Grant for 75% of the ad valorem tax increment generated by each New Construction component of the Project for a period of 20 years.
2. Hotel REV Grant indebtedness will not exceed \$5,670,400.
3. Multifamily REV Grant indebtedness will not exceed \$8,853,600
4. REV Grant payments will be made annually beginning the first year of taxation following completion based upon the incremental increase in the Duval County Operating Millage ad valorem taxes collected above the base year amount, which shall be established as the taxable value provided by the Duval County Property Appraiser for the year prior to execution of the RDA ("HNC Annual Project Revenues").
5. As the REV Grants are proposed on outcomes beyond program considerations typically underwritten, DIA program guidelines are hereby waived.

**Senior Construction Loan for Hospitality Component: \$14,424,000**

1. Concurrent with funding mechanism and timing contained in both the "COJ Completion Grant" and the "Historic Preservation Grant(s)/Forgivable Loan(s)" described above, this construction loan shall be: (1) made by COJ, (2) shall be fully appropriated at financial closing and (3) funded at closing into interest-bearing escrow for disbursement controlled by Construction Lender (COJ) monthly. Loan Term shall be coterminous with Multifamily construction loan and have a three (3) year construction term with two (2) one (1) year extension options ("3-1-1 Construction Mini-Perm Loan");
2. Loan Term shall be coterminous with Multi-family construction loan and have a three (3) year construction term with two (2) one (1) year extension options ("3-1-1 Construction Mini-Perm Loan"); Interest Rate - 4.5% interest payable on funded advances in arrears;
3. Interest Rate - 4.5% interest payable on funded advances in arrears;
4. Loan Prepayment- Loan pre-payable at anytime during loan term subject to a loan pre-payment fee of \$3MM
5. City to record 1st position mortgage
6. Construction lender shall take first lien position in real property, construction plans and contracts, tangible and intangible personal property, etc.
7. Tri-party agreements entered providing info on:
  - a. Construction loan administration (draws, inspections, architect sign-offs, stored materials, retainage, etc.)
  - b. Protective advances responsibility of construction lender only.
  - c. Rights and responsibilities in problem loan workout.
  - d. COJ funding shall be monthly, pari passu with Senior Construction Lender as a percentage of overall forces of funds.



**Infrastructure:** No City of Jacksonville infrastructure improvements are contemplated.

**Land:** No City of Jacksonville land is committed to the project. Parking agreements within City owned parking garages or privately owned parking garages where COJ/DIA has parking rights is to be negotiated independently and will not impact project economics as presented in this Proposal response.

**Performance Schedule:**

- A. Final DDRB Approval not more than 90-days following recommendation by the DIA Board, but not later than September 30, 2024.
- B. Execution of Redevelopment Agreement(s) within thirty (30) days of City Council Approval and Bill Effective Date but not later than October 31, 2024.
- C. Apply for Building Permit as required to commence construction of each element of both components to be submitted to the COJ Building Inspection Division within not later than 60-days following City Council approval, but not later than November 30, 2024.
- D. Financial Closing to occur within 120 days following City Council approval, but not later than January 31, 2025.
- E. Commencement of Construction within 30 days following Financial Closing, but not later than March 1, 2025, to break ground and commence construction on each element of both components of the Project. Commencement of Construction means:
  - 1) As reasonably can be considered necessary so that physical construction of the eligible Project (or any applicable phase thereof) may begin and proceed to completion without foreseeable interruption:
    - a) Completion of all pre-construction engineering and design,
    - b) All necessary licenses, permits, and governmental approvals,
    - c) Engagement of general contractor(s),
    - d) Essential equipment and supplies on site; and,
  - 2) Evidence of having "broken ground" and begun physical, material renovation and construction of such improvements on an ongoing basis without any Impermissible Delays.
- F. Substantial Completion: Within twenty-four (thirty (30) months following Commencement of Construction as defined above, but not later than August 31, 2027.

The DIA CEO will have the authority to extend this Performance Schedule, in the CEO's discretion, for up to six (6) months in total for good cause shown by the Borrower / Applicant. Any extensions to the Commencement Date shall have the same effect of extending the Completion Date simultaneously.

**Additional Requirements and Commitments:**

- A. A satisfactory review of the following is requested prior to presentation to the DIA Board for approval:
  - 1) Breakdown of soft costs as found in the Sources and Uses provided, to include Developer Fee and schedule of proposed payments.
  - 2) Breakdown of equity sources and valuation.
  - 3) Copy of the Completion Guaranty and Construction Contract
  - 4) Copy of the Historic Tax Credit documentation for the Master Tenant including pay-in schedule and SNDA for benefit of Tax Credit Master Tenant in the form proposed.

May 23, 2024

Mr. Steven T. Kelley, DBA

RE: Laura Street Trio - Adaptive Reuse Development

Page 5

- 5) Term sheet(s) for the construction loans shown for the Hospitality component.
  - 6) Tri-party agreement with construction lenders in the form proposed.
  - 7) Third party plan and cost review of historic and new construction components demonstrating both sufficiency and requirement of funding proposed.
- B. Funding will be made directly into escrow for the benefit of each SPE, or to a common entity with ownership or control of the SPEs, with no disbursements made to sponsor(s) or investors prior to substantial completion, except as provided for herein.
- C. DIA to be provided copies of all third-party reports and inspections, including but not limited to appraisals, market studies, surveys, plan and cost reviews, surveys, draw requests and inspection reports, and others as may be obtained for the underwriting or administration of funding for the Project.
- D. Payment defaults, or other defaults that trigger legal actions against the Developer that endanger the lien position of the City, shall also be a default on related loans or other financial awards from the City of Jacksonville on the same component.
- E. DIA reserves the right to approve any sale, disposition of collateral property, substitution of equity, substitution of collateral, or refinance of senior debt and such approval shall not be unreasonably withheld.
- F. All Property, business, and income taxes must be current at the time of application and maintained in current status throughout the approval process, the term of the Redevelopment Agreement, and through the Compliance Period.
- G. COJ to be a named, insured party in each property with minimum coverages as determined by the COJ Risk Management Division.
- H. For the purposes of this proposal response and further documentation, all economic development, completion-grant, and historic preservation grant/forgivable loan incentives will require funding through the City of Jacksonville General Fund. REV Grant funding as proposed would be paid from Northbank CRA TIF Trust Fund, following traditional REV Grant methodology.

## LAURA STREET TRIO - HISTORIC PRESERVATION & ADAPTIVE REUSE

51 West Forsyth Street  
Jacksonville, Florida 32202

Hotel & Multifamily 5/23/2024

Autograph Collection Hotel by Marriott - Four Star Rated

143 Rooms; 7,000 SF Conference Center, 170-Seat Restaurant/Bar, Street-level Cafe/Bar; Underground/Speakeasy Lodge, Rooftop Bar

The Klutho at Laura Street - Multifamily Residential Apartments

169 Units (27% Attainable-Workforce Housing @ 80% AMI); 6,550 SF Ground-Level Retail

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Owner:	Laura Trio, LLC Contact: Steve Atkins	(904) 993-1879 <a href="mailto:satkins@southeastgroup.com">satkins@southeastgroup.com</a>	Financial Advisor/Placement Agent:	Piper Sandler & Co. Contact: Joe Niggel	(704) 517-4403 <a href="mailto:joe.niggel@psc.com">joe.niggel@psc.com</a>
Developer:	SouthEast Development Group, LLC Contact: Steve Atkins	(904) 993-1879 <a href="mailto:satkins@southeastgroup.com">satkins@southeastgroup.com</a>	HTC Accounting Consultant:	Herdlick Tax Credit, LLC Contact: Dave Herdlick	(314) 540-0890 <a href="mailto:daveherdlick@herdlicktaxcreditllc.com">daveherdlick@herdlicktaxcreditllc.com</a>
A&E Lead:	Dasher Hurst Architects, PA Contact: Tom Hurst, AIA	(904) 425-1190 <a href="mailto:thurst@dasherhurst.com">thurst@dasherhurst.com</a>	Federal HTC Consultant:	Urban Trust Capital, LLC Contact: Andy Ham	(904) 868-2100 <a href="mailto:andrewham@urbantrustcapital.com">andrewham@urbantrustcapital.com</a>
Hotel Design:	Gensler Contact: Jason Snyder, AIA LEED AP BD+C	(404) 507-0950 <a href="mailto:jason.snyder@gensler.com">jason.snyder@gensler.com</a>			
General Contractor:	Turner Construction, Co. Contact: Jeff Justen	(404) 379-1672 <a href="mailto:jjusten@tcco.com">jjusten@tcco.com</a>			
Senior Subcontractor:	Danis Construction, Inc Contact: Dave Koltmyer	(904) 724-6045 <a href="mailto:david.koltmyer@danis.com">david.koltmyer@danis.com</a>			

Laura Trio Hotel & Multifamily Capital Stack

SOURCES	Hotel	%	Multifamily	%	Total	%
Developer Equity	15,157,025	15%	9,438,016	10%	24,595,041	13%
LP Equity	5,000,000	5%	-	0%	5,000,000	3%
COJ Economic Development Loan	5,330,000	5%	2,970,000	3%	8,300,000	4%
COJ Completion Grant (Paid Pari Passu During Construction)	21,670,000	22%	20,805,000	23%	42,475,000	22%
COJ Historic Preservation Grant (Paid Pari Passu During Construction)	-	0%	22,034,000	24%	22,034,000	12%
<b>Subtotal COJ Contributions</b>	<b>27,000,000</b>	<b>27%</b>	<b>45,809,000</b>	<b>50%</b>	<b>72,809,000</b>	<b>38%</b>
COJ Project Fund Reinvestment Earnings	1,220,178	1%	2,502,131	3%	3,722,309	2%
C-PACE Loan	34,825,000	35%	-	0%	34,825,000	18%
COJ Hotel Senior Debt	14,424,000	15%	-	0%	14,424,000	8%
Goldman Sachs Senior Debt	-	0%	33,000,000	36%	33,000,000	17%
Goldman Sachs HTC Bridge (Capitalized Interest Funded)	1,575,000	2%	675,000	1%	2,250,000	1%
<b>Subtotal Senior Debt</b>	<b>50,824,000</b>	<b>51%</b>	<b>33,675,000</b>	<b>37%</b>	<b>84,499,000</b>	<b>44%</b>
<b>TOTAL SOURCES:</b>	<b>99,201,203</b>	<b>100%</b>	<b>91,424,147</b>	<b>100%</b>	<b>190,625,350</b>	<b>100%</b>
USES	Hotel	%	Multifamily	%	Total	%
Land Basis	4,031,848	4%	4,055,248	4%	8,087,096	4%
Predevelopment Expense	3,125,177	3%	2,382,768	3%	5,507,945	3%
Hard Costs	70,162,897	71%	68,000,000	74%	138,162,897	72%
Soft Costs	5,457,000	6%	4,645,000	5%	10,102,000	5%
<b>Total Construction Costs</b>	<b>75,619,897</b>	<b>76%</b>	<b>72,645,000</b>	<b>79%</b>	<b>148,264,897</b>	<b>78%</b>
Retire Bridge Loan	4,130,000	4%	2,170,000	2%	6,300,000	3%
C-PACE Admin Fee	748,913	1%	-	0%	748,913	0%
Financing & Placement Fees	288,480	0%	1,510,000	2%	1,798,480	1%
Legal Fees	515,000	1%	485,000	1%	1,000,000	1%
C-PACE Capitalized Interest	7,464,323	8%	-	0%	7,464,323	4%
Goldman Sachs HTC Bridge Capitalized Interest	1,575,000	2%	675,000	1%	2,250,000	1%
Senior Debt Capitalized Interest	1,700,000	2%	4,200,000	5%	5,900,000	3%
Goldman Sachs Multifamily Reserve	-	0%	3,300,000	4%	3,300,000	2%
<b>Subtotal Reserves</b>	<b>10,739,323</b>	<b>11%</b>	<b>8,175,000</b>	<b>9%</b>	<b>18,914,323</b>	<b>10%</b>
Additional Proceeds	2,565	0%	1,131	0%	3,696	0%
<b>TOTAL USES:</b>	<b>99,201,203</b>	<b>100%</b>	<b>91,424,147</b>	<b>100%</b>	<b>190,625,350</b>	<b>100%</b>

Hotel P&L	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Fiscal Year #	0	1	2	3	4	5	6
<b>Operating Revenues</b>							
Rooms	-	-	-	7,209,000	8,194,000	8,976,000	9,245,000
Food	-	-	-	7,426,000	8,161,000	8,669,000	8,930,000
Beverage	-	-	-	5,075,000	5,483,000	5,780,000	5,953,000
Other Operated Departments	-	-	-	194,000	218,000	232,000	239,000
Parking	-	-	-	642,000	734,000	788,000	812,000
Miscellaneous Income	-	-	-	10,000	11,000	12,000	12,000
<b>Total Operating Revenues</b>	-	-	-	<b>20,556,000</b>	<b>22,801,000</b>	<b>24,457,000</b>	<b>25,191,000</b>
<b>Departmental Expenses</b>							
Rooms	-	-	-	1,650,000	1,758,000	1,840,000	1,895,000
Food & Beverage	-	-	-	8,835,000	9,333,000	9,733,000	10,025,000
Other Operated Departments	-	-	-	105,000	111,000	116,000	119,000
<b>Total Expenses</b>	-	-	-	<b>10,590,000</b>	<b>11,202,000</b>	<b>11,689,000</b>	<b>12,039,000</b>
<b>Departmental Income</b>	-	-	-	<b>9,966,000</b>	<b>11,599,000</b>	<b>12,768,000</b>	<b>13,152,000</b>
<b>Undistributed Operating Expenses</b>							
Administrative & General	-	-	-	984,000	1,031,000	1,072,000	1,105,000
Info & Telecom Systems	-	-	-	118,000	124,000	129,000	133,000
Marketing	-	-	-	551,000	577,000	601,000	619,000
Franchise Fee	-	-	-	324,000	369,000	404,000	508,000
Prop. Operations & Maint.	-	-	-	315,000	371,000	429,000	442,000
Utilities	-	-	-	315,000	330,000	343,000	353,000
<b>Total Expenses</b>	-	-	-	<b>2,607,000</b>	<b>2,802,000</b>	<b>2,978,000</b>	<b>3,160,000</b>
<b>Gross Operating Profit</b>	-	-	-	<b>7,359,000</b>	<b>8,797,000</b>	<b>9,790,000</b>	<b>9,992,000</b>
Management Fee	-	-	-	617,000	684,000	734,000	756,000
<b>Income Before Non-Opr. Inc. &amp; Exp.</b>	-	-	-	<b>6,742,000</b>	<b>8,113,000</b>	<b>9,056,000</b>	<b>9,236,000</b>
<b>Non-Operating Income &amp; Expense</b>							
Property Taxes	-	-	-	165,000	166,000	171,000	175,000
Insurance	-	-	-	283,000	292,000	300,000	309,000
<b>C-PACE Loan Payable</b>							
Principal	-	-	-	275,848	291,408	34,600,321	-
Interest	-	1,483,032	2,990,645	2,990,645	2,975,085	2,941,931	-
Less: Gross Refi Proceeds	-	-	-	-	-	(34,600,321)	-
Less: Capitalized Interest	-	(1,483,032)	(2,990,645)	(2,990,645)	-	-	-
<b>Net Debt Service Obligation Payable</b>	-	-	-	<b>275,848</b>	<b>3,266,493</b>	<b>2,941,931</b>	-
C-PACE Admin Fee	-	-	-	5,517	65,330	65,330	-
<b>Total Expenses</b>	-	-	-	<b>729,365</b>	<b>3,789,823</b>	<b>3,478,261</b>	<b>484,000</b>
<b>EBITDA</b>	-	-	-	<b>6,012,635</b>	<b>4,323,177</b>	<b>5,577,739</b>	<b>8,752,000</b>
Reserve for Replacement	-	-	-	411,000	684,000	978,000	1,008,000
<b>EBITDA LESS RESERVE</b>	-	-	-	<b>5,601,635</b>	<b>3,639,177</b>	<b>4,599,739</b>	<b>7,744,000</b>
<b>Senior Debt Payable</b>							
Principal	-	-	-	-	-	16,996,435	-
Interest	30,589	183,532	459,970	763,530	764,840	637,366	-
Less: Gross Refi Proceeds	-	-	-	-	-	(16,996,435)	-
Less: Capitalized Interest	(30,589)	(183,532)	(459,970)	(763,530)	(254,947)	-	-
<b>Net Debt Service Obligation Payable</b>	-	-	-	-	<b>509,893</b>	<b>637,366</b>	-
Senior DSCR	N/A	N/A	N/A	N/A	7.14x	7.22x	N/A

Multifamily P&L	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Fiscal Year #	0	1	2	3	4	5	6
<b>Operating Revenues</b>							
Gross Potential Rent	-	-	-	5,063,948	5,215,866	5,372,342	5,533,512
Less: Vacancy	-	-	-	(170,102)	(175,205)	(180,462)	(185,875)
<b>Net Rental Revenue</b>	-	-	-	<b>4,893,846</b>	<b>5,040,661</b>	<b>5,191,880</b>	<b>5,347,637</b>
Net Other Income	-	-	-	365,942	376,920	388,227	399,874
Net Retail Income	-	-	-	184,428	189,961	195,660	201,529
Net Pass-Thru	-	-	-	55,760	57,432	59,155	60,930
<b>Effective Gross Income</b>	-	-	-	<b>5,499,976</b>	<b>5,664,974</b>	<b>5,834,922</b>	<b>6,009,970</b>
Operating Expenses	-	-	-	1,675,913	1,726,191	1,777,977	1,831,316
<b>Net Operating Income</b>	-	-	-	<b>3,824,063</b>	<b>3,938,783</b>	<b>4,056,945</b>	<b>4,178,654</b>
<b>Debt Service Payable</b>							
Principal	-	-	-	-	-	33,000,000	-
Interest	169,500	1,150,290	2,566,226	3,365,247	3,367,387	2,806,156	-
Less: Gross Refi Proceeds	-	-	-	-	-	(33,000,000)	-
Less: Capitalized Interest	(169,500)	(1,150,290)	(2,566,226)	(278,476)	-	-	-
<b>Net Debt Service Obligation Payable</b>	-	-	-	<b>3,086,771</b>	<b>3,367,387</b>	<b>2,806,156</b>	-
DSCR	N/A	N/A	N/A	1.24x	1.17x	1.45x	N/A



SouthEast Development Group, LLC  
PO Box 5160  
Jacksonville, Florida 32247

**Stephen L Atkins**  
Principal & Managing Director  
904 993 1879

June 17, 2024

Mr. Steven T. Kelley, DBA  
Downtown Investment Authority  
117 W. Duval Street, Suite 310  
Jacksonville, FL 32202

**Re: Laura Street Trio - Historic Preservation & Adaptive Reuse Program**

Dear Steve:

Pursuant to our group discussion regarding the City of Jacksonville's public incentives for the Laura Street Trio project, my team and I are responding to your request that SouthEast evaluate the total incentives proposed by DIA's memo presented at our meeting on May 17th, as well as the required pay-in schedules necessary to successfully address the overall financing of the project.

As we have discussed over the last several weeks, the senior debt for the project has been divided into two components, with the initial terms for the multifamily apartments secured by a proposed senior loan from a leading Wall Street investment bank, along with bridge financing as required by the overall project. For both senior debt and all bridge lending, terms for financing include an approximate (10%) annual interest rate.

As further discussed, we have been reviewing potential terms for senior debt financing for the Autograph Collection Hotel by Marriott with several Wall Street and other national lenders. As of this date, we have secured terms for financing for the hotel through a \$24,030,000 net senior loan, to be paired with C-PACE financing of \$34,825,000 for the hotel, together totaling \$58,855,000. The senior debt is priced at approximately (18.0%) annual interest and the C-PACE financing at an (8.5%) annual interest rate, for a total blended rate of 13.25%. Collectively with the referenced terms presented by senior lenders, the developer's private equity, including an increase of an additional \$6,000,000 in cash and the federal historic tax credits capitalized equity of approximately \$10,700,000, this completes the capital stack of private financing for the project.

Based on the latest pricing of the project, including updates received last week from our general contractor Turner Construction Co., the overall pricing for the project now totals \$194,259,041. A detailed sources and uses summary is attached hereto for your reference.

Given the current sources and uses for the project, we believe that a total public investment of \$89,000,000 will sufficiently support the cost of construction and financing of the project. The form of the public investments, whether described as completion grants, or other formats is not a major concern of the development team. Our challenge remains that the proposed timing in receiving all the public funds as proposed in the recent DIA memo to the developer do not address: (1) the high cost of interest carry required through the course of the projected 27-month construction period, or (2) the true Net Present Value of the proposed REV Grants. In order to comply with the funding requirements of our senior lenders and maintain the current development budget, while avoiding the additional interest carry during this period, it will be essential for the city's funds to be made available at financial close and paid-in to the project based on a specific schedule with other construction financing.

The developer and senior lenders are sensitive to this commitment of funds by the City of Jacksonville and have proposed a schedule to minimize the exposure of cash outlay by the city.



June 17, 2024

Mr. Steven T. Kelley, DBA

RE: Laura Street Trio - Historic Preservation & Adaptive Reuse Program

Page 2

As outlined in our previous reviews, the first stage of redevelopment for the Laura Street Trio will be a significant preservation and stabilization process to rehabilitate the property. This is the most time sensitive and most expensive part of this project and must be performed prior to any "new construction" at the site. This initial phase of work will be executed over the first 12-months of the project schedule and will result in the full rehabilitation of the historic buildings. Upon completion of this first phase, the property will become conforming to current building codes and allow for further investment in the newly constructed additions, which will include both the new hotel and multifamily components. Therefore, the development team proposes that the first, significant tranche of public investments: (1) be made to address this preservation and stabilization phase of development, and (2) be made available at financial close to sufficiently offset the higher cost of commercial debt financing, and (3) satisfy specific closing requirements by the senior lenders.

In an effort to manage public funds most efficiently, the development team further proposes that the remaining balance of the city's funding to be made in two subsequent tranches, the first at month twelve (12) of the project (following the completion of the preservation and stabilization), and the second at the project's Certificate of Occupancy (C.O.). While this will still require the developer to bridge the balance of funds during construction at a high-market rate, it will reduce overall project costs and mitigate exposure to the city during the early stages of the project.

As a specific description of the requested terms for the public investments from the City of Jacksonville, please consider the following points:

1. A Forgivable Economic Development Loan in the amount of \$8,300,000 shall be payable to the developer immediately upon the approval of the Redevelopment Agreement (RDA) by the Jacksonville City Council. These funds shall be collateralized with a first mortgage on the property and subject to the terms of forgiveness as outlined in the RDA. A portion of this loan totaling \$2,000,000 previously approved for the project shall be payable to the developer subject to the terms of forgiveness as outlined in the Agreement, without condition and/or withholding of any kind by the City of Jacksonville;
2. City of Jacksonville shall pay \$61,558,252 to the project at financial close, which will be held in a construction trust account by the senior lender and made available to arbitrage investments (exclusively in U.S. Treasuries) by the developer's financial agent; Funds will be deployed with private equity and senior debt based on the proposed schedule and percentage of funding described herein. Funding will not include any interest payable to the city and serve as a grant to the project;
3. At the twelfth (12th) month following commence of construction, city shall pay a second tranche of \$12,034,000, payable to the project's construction trust account and be available on a monthly draw basis thereafter. City funds will be deployed pari passu (equal priority) with private equity and senior debt. Funding will not include any interest payable to the city and serve as a grant to the project;
4. Upon the issuance of the Certificate of Occupancy (C.O.) for the project (estimated 27-months), city shall pay a third tranche of \$5,257,748 to the project. Funding will not include any interest payable to the city and serve as a grant to the project;
5. The previously contemplated REV Grant for the project, estimated at a total of \$14,524,000 shall be reduced to a total of \$1,850,000, payable only to the multifamily component of the project over a period reduced from twenty (20) to five (5) years. The REV Grant estimated for the hotel component shall be terminated in its entirety;
6. A Parking Agreement between the City of Jacksonville and VyStar Credit Union, providing no less than 250 parking spaces for the project's use in the neighboring Forsyth Street parking structure shall be confirmed at the execution of the RDA by the City of Jacksonville and made available to the project at the time of C.O.

A summary of the overall incentives is provided below:

<b>City of Jacksonville Incentive</b>	<b>Total</b>	<b>Payment Timeframe</b>
Forgivable Economic Development Loan	\$8,300,000	Approval of RDA
Development Grant (1)	\$61,558,252	Financial Close
Development Grant (2)	\$12,034,000	Month Twelve (12) of Project Completion
Development Grant (3)	\$5,257,748	Certificate of Occupancy (C.O.)
Recapture Enhanced Value (REV) Grant	\$1,850,000	Five-Year Period following Completion
.....		
<b>Total</b>	<b>\$89,000,000</b>	

The development team believes that this is a fair and equitable approach to the public-private partnership necessary to successfully execute this project. Given the fractured nature of the current financial markets and the extremely high cost of limited capital currently available, this structure of both public and private funding will offer as much protection to the contributing parties as possible.

As requested, this should be considered our final proposal to the DIA to further terms within a formal Redevelopment Agreement between the developer and the City of Jacksonville.

Upon your review, please feel free to email or call me with any questions you may have. My team and I are eager to finalize an agreement with the city and move to the commencement of this most important project in the immediate future.

Sincerely,



Stephen L. Atkins  
Principal

attachments (1)

cc: Mr. Graham White, SouthEast Development Group, LLC  
Mr. Joe Niggel, Piper Sandler & Co.  
Mr. Jason Gabriel, Burr Forman  
Mr. Jordan Elsbury, Ballard Partners

## LAURA STREET TRIO - HISTORIC PRESERVATION & ADAPTIVE REUSE

51 West Forsyth Street  
Jacksonville, Florida 32202

### Hotel & Multifamily 6/17/2024

Autograph Collection Hotel by Marriott - Four Star Rated

143 Rooms; 7,000 SF Conference Center, 170-Seat Restaurant/Bar, Street-level Cafe/Bar; Underground/Speakeasy Lodge, Rooftop Bar

The Klutho at Laura Street - Multifamily Residential Apartments

169 Units (27% Attainable-Workforce Housing @ 80% AMI); 6,550 SF Ground-Level Retail

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Owner:	Laura Trio, LLC Contact: Steve Atkins	(904) 993-1879 <a href="mailto:satkins@southeastgroup.com">satkins@southeastgroup.com</a>	Financial Advisor/Placement Agent:	Piper Sandler & Co. Contact: Joe Niggel	(704) 517-4403 <a href="mailto:joe.niggel@psc.com">joe.niggel@psc.com</a>
Developer:	SouthEast Development Group, LLC Contact: Steve Atkins	(904) 993-1879 <a href="mailto:satkins@southeastgroup.com">satkins@southeastgroup.com</a>	HTC Accounting Consultant:	Herdlick Tax Credit, LLC Contact: Dave Herdlick	(314) 540-0890 <a href="mailto:daveherdlick@herdlicktaxcreditllc.com">daveherdlick@herdlicktaxcreditllc.com</a>
A&E Lead:	Dasher Hurst Architects, PA Contact: Tom Hurst, AIA	(904) 425-1190 <a href="mailto:thurst@dasherhurst.com">thurst@dasherhurst.com</a>	Federal HTC Consultant:	Urban Trust Capital, LLC Contact: Andy Ham	(904) 868-2100 <a href="mailto:andrewham@urbantrustcapital.com">andrewham@urbantrustcapital.com</a>
Hotel Design:	Gensler Contact: Jason Snyder, AIA LEED AP BD+C	(404) 507-0950 <a href="mailto:jason_snyder@gensler.com">jason_snyder@gensler.com</a>	Hotel Management:	Concord Hospitality Contact: Nick Kellock	(919) 455-2820 <a href="mailto:nick_kellock@concordhotels.com">nick_kellock@concordhotels.com</a>
General Contractor:	Turner Construction, Co. Contact: Jeff Justen	(404) 379-1672 <a href="mailto:jjusten@tcco.com">jjusten@tcco.com</a>			
Senior Subcontractor:	Danis Construction, Inc Contact: Dave Kottmyer	(904) 724-6045 <a href="mailto:david.kottmyer@danis.com">david.kottmyer@danis.com</a>			

**Laura Street Trio - Complete Capital Stack**

<b>SOURCES</b>	<b>Hotel</b>	<b>%</b>	<b>Multifamily</b>	<b>%</b>	<b>Total</b>	<b>%</b>
Land Equity	3,196,139	3%	4,192,454	5%	7,388,592	4%
Predevelopment Equity	3,262,606	3%	2,245,563	2%	5,508,168	3%
Hotel Manager Key Money	1,000,000	1%	-	0%	1,000,000	1%
HTC Equity (Bridged)	7,698,281	8%	3,000,000	3%	10,698,281	6%
LP Equity	5,000,000	5%	-	0%	5,000,000	3%
COJ Contribution (Construction)	17,865,000	17%	24,610,000	27%	42,475,000	22%
COJ DPRP Program (Bridged)	-	0%	22,034,000	24%	22,034,000	11%
COJ Forgivable Economic Development Loan	5,330,000	5%	2,970,000	3%	8,300,000	4%
C-PACE Loan	34,825,000	34%	-	0%	34,825,000	18%
Senior Debt	26,700,000	26%	33,000,000	36%	59,700,000	31%
Less: Original Issue Discount	(2,670,000)	-3%	-	0%	(2,670,000)	-1%
<b>TOTAL SOURCES:</b>	<b>102,207,025</b>	<b>100%</b>	<b>92,052,016</b>	<b>100%</b>	<b>194,259,041</b>	<b>100%</b>

<b>USES</b>	<b>Hotel</b>	<b>%</b>	<b>Multifamily</b>	<b>%</b>	<b>Total</b>	<b>%</b>
Land Equity	3,196,139	3%	4,192,454	5%	7,388,592	4%
Predevelopment Equity	3,262,606	3%	2,245,563	2%	5,508,168	3%
LP Equity	5,000,000	5%	-	0%	5,000,000	3%
COJ Contribution (Construction)	17,865,000	17%	24,610,000	27%	42,475,000	22%
COJ Forgivable Economic Development Loan	1,200,000	1%	800,000	1%	2,000,000	1%
Hotel Manager Key Money	1,000,000	1%	-	0%	1,000,000	1%
HTC Equity (Bridged)	7,698,281	8%	3,000,000	3%	10,698,281	6%
Net CPACE Proceeds	26,611,764	26%	-	0%	26,611,764	14%
COJ DPRP Program (Bridged)	-	0%	22,034,000	24%	22,034,000	11%
Net Senior Debt	17,331,841	17%	24,840,294	27%	42,172,135	22%
Retire Bridge Loan	4,130,000	4%	2,170,000	2%	6,300,000	3%
Capitalized Interest (C-PACE)	7,464,323	7%	-	0%	7,464,323	4%
Admin Fees (C-PACE)	748,913	1%	-	0%	748,913	0%
Financing & Placement Fees	1,289,341	1%	1,728,822	2%	3,018,163	2%
Legal Fees	665,000	1%	585,000	1%	1,250,000	1%
Capitalized Interest (Senior Debt)	2,742,977	3%	3,095,462	3%	5,838,439	3%
Debt Service Reserve Fund	2,000,000	2%	-	0%	2,000,000	1%
Operating Reserve	-	0%	2,750,000	3%	2,750,000	1%
Additional Proceeds	841	0%	423	0%	1,263	0%
<b>TOTAL USES:</b>	<b>102,207,025</b>	<b>100%</b>	<b>92,052,016</b>	<b>100%</b>	<b>194,259,041</b>	<b>100%</b>

Laura Street Trio - Development Expense Breakout

PREDEVELOPMENT EXPENSES		Hotel	%	Multifamily	%	Total	%
Land/Site Acquisition, Carry Interests							
	LISC Jacksonville	468,717	14%	383,495	17%	852,212	15%
	Silver Arch Capital	25,094	1%	20,531	1%	45,625	1%
	Romspen US Master Mortgage, LP	200,767	6%	164,264	7%	365,031	7%
	Romspen US Master Mortgage, LP	317,625	10%	259,875	12%	577,500	10%
	Red Oak Capital Holdings, LLC	523,837	16%	428,594	19%	952,430	17%
Legal, Accounting & Planning							
	Rogers Towers, P.A.	145,288	4%	118,872	5%	264,160	5%
	Foley & Lardner, P.A.	8,250	0%	6,750	0%	15,000	0%
	Holland & Knight, P.A.	73,725	2%	60,320	3%	134,045	2%
	DMHD, P.A.	17,133	1%	14,018	1%	31,151	1%
	Burr Forman, LP	37,857	1%	30,974	1%	68,830	1%
	Baker Hostetler, P.A.	5,911	0%	4,837	0%	10,748	0%
	Novogradac & Co.	8,599	0%	7,036	0%	15,635	0%
	Fiorentino Group	2,750	0%	2,250	0%	5,000	0%
	The Southern Group	51,150	2%	41,850	2%	93,000	2%
	Ballard Partners	27,550	1%	22,541	1%	50,090	1%
	Converge Government Services	27,500	1%	22,500	1%	50,000	1%
	PH Jacksonville, LLC	113,253	3%	92,662	4%	205,915	4%
Appraisals, Surveys, Reports							
	Durden Surveying & Mapping	5,225	0%	4,275	0%	9,500	0%
	Amec Foster Wheeler	1,925	0%	1,575	0%	3,500	0%
	Terracon Consultants, Inc.	8,179	0%	6,692	0%	14,870	0%
	Wood Environmental & Infrastructure	4,345	0%	3,555	0%	7,900	0%
	Intergra Realty Resources	963	0%	788	0%	1,750	0%
	Lovett Valuations, LLC	2,640	0%	2,160	0%	4,800	0%
	Bleakly Advisory Group	3,212	0%	2,628	0%	5,840	0%
	HVS	42,400	1%	0	0%	42,400	1%
	Cushman Wakefield	3,781	0%	3,094	0%	6,875	0%
Architecture & Engineering							
	Dasher Hurst Architects	161,888	5%	132,454	6%	294,342	5%
	Ervin Lovett & Miller	73,901	2%	60,465	3%	134,366	2%
	Atlantic Engineering Services	2,047	0%	1,675	0%	3,722	0%
	VDA Associates	2,200	0%	1,800	0%	4,000	0%
	3D Plans	220	0%	400	0%	400	0%
	Gensler	299,540	9%	0	0%	299,540	5%
Historic Designation & Filing							
	Historic Property Associates	5,500	0%	4,500	0%	10,000	0%
	Schneider Historic Preservation	7,039	0%	5,759	0%	12,798	0%
	U.S. National Park Service	1,788	0%	1,463	0%	3,250	0%
	City of Jacksonville	413	0%	338	0%	750	0%
	Herdlick Advisory	4,125	0%	3,375	0%	7,500	0%
	Ryan Company	3,915	0%	3,203	0%	7,118	0%
	Urban Trust Capital, LLC	7,975	0%	6,525	0%	14,500	0%
Property Insurance							
	Westfield/Cecil Powell	30,639	1%	25,069	1%	55,708	1%
	Wells Fargo	19,126	1%	15,648	1%	34,774	1%
	USI	89,236	3%	73,011	3%	162,247	3%
Real Estate Taxes							
	City of Jacksonville 2013-2023	187,294	6%	153,240	7%	340,534	6%
Preconstruction							
	Danis Construction	27,443	1%	22,453	1%	49,896	1%
	Adams Interior Contractors	565	0%	463	0%	1,028	0%
	Brads Glass	2,955	0%	2,418	0%	5,373	0%
	ICS Flooring	1,232	0%	1,008	0%	2,240	0%
	Sunbelt Rentals	1,897	0%	1,552	0%	3,449	0%
Hospitality Management							
	Marriott International	120,000	4%	0	0%	120,000	2%
	Panther Hospitality	39,488	1%	0	0%	39,488	1%
	Carlton Fields, P.A.	16,870	1%	0	0%	16,870	0%
Presentations, Travel, Etc.							
	Shepherd Agency	5,063	0%	4,142	0%	9,205	0%
	Temper	6,054	0%	4,954	0%	11,008	0%
	Dan Hartman	8,580	0%	7,020	0%	15,600	0%
	Hartley Press	3,390	0%	2,774	0%	6,164	0%
	SouthEast Development Group (internal)	3,889	0%	3,182	0%	7,070	0%
	UPS/FEDEX Shipping	661	0%	540	0%	1,201	0%
<b>TOTAL PREDEVELOPMENT EXPENSES:</b>		<b>\$3,262,606</b>	<b>100%</b>	<b>\$2,245,563</b>	<b>100%</b>	<b>\$5,508,169</b>	<b>100%</b>
SOFT COSTS		Hotel	%	Multifamily	%	Total	%
Architecture & Engineering							
	Dasher Hurst	2,080,000	38%	1,480,000	32%	3,560,000	35%
	Gensler	815,000	15%	0	0%	815,000	8%
Alta Survey							
	Durden Survey & Mapping	25,000	0%	25,000	1%	50,000	0%
Title							
	Per Senior Lender	25,000	0%	25,000	1%	50,000	0%
HTC Advisor							
	Urban Trust	210,000	4%	90,000	2%	300,000	3%
HTC Consultant							
	Schneider Historic Preservation	27,000	0%	0	0%	27,000	0%
Consulting Broker							
	Covenant Co.	25,000	0%	25,000	1%	50,000	0%
Marketing Start Up							
	Concord Hospitality	250,000	5%	0	0%	250,000	2%
Project Management							
	SouthEast Development Group	2,000,000	37%	3,000,000	65%	5,000,000	49%
<b>TOTAL SOFT COSTS:</b>		<b>\$5,457,000</b>	<b>100%</b>	<b>\$4,645,000</b>	<b>100%</b>	<b>\$10,102,000</b>	<b>100%</b>
LEGAL FEES		Hotel	%	Multifamily	%	Total	%
Legal							
	Burr Forman	75,000	11%	25,000	4%	100,000	8%
	DLA Piper	285,000	43%	285,000	49%	570,000	46%
	Baker Hostetler	55,000	8%	25,000	4%	80,000	6%
	Multifamily Senior Lender	0	0%	50,000	9%	50,000	4%
	Hotel Senior Lender	50,000	8%	0	0%	50,000	4%
	Pope Flynn	175,000	26%	175,000	30%	350,000	28%
	Legal Contingency	25,000	4%	25,000	4%	50,000	4%
<b>TOTAL LEGAL FEES:</b>		<b>\$665,000</b>	<b>100%</b>	<b>\$585,000</b>	<b>100%</b>	<b>\$1,250,000</b>	<b>100%</b>
FINANCING FEES		Hotel	%	Multifamily	%	Total	%
Placement Agent Fees							
	Piper Sandler & Co	615,250	48%	550,340	32%	1,165,590	39%
	JLL Capital Markets	615,250	48%	550,340	32%	1,165,590	39%
Multifamily Senior Lender							
	Derivative Cap on Multifamily Senior Rate	0	0%	250,000	14%	250,000	8%
	Origination Fee (1%)	0	0%	330,000	19%	330,000	11%
Hotel Senior Lender							
	Origination Fee (1%)	0	0%	0	0%	0	0%
Americo Life Insurance Co.							
	Origination Fee (1% of HTC)	58,841	5%	48,142	3%	106,983	4%
<b>TOTAL FINANCING FEES:</b>		<b>\$1,289,341</b>	<b>100%</b>	<b>\$1,728,822</b>	<b>100%</b>	<b>\$3,018,163</b>	<b>100%</b>

**Hotel Estimated Draw Schedule (Construction & Related Soft Costs)**

<i>Date</i>	<i>Hard Costs</i>	<i>Soft Costs</i>	<i>Total Costs</i>	<i>1. C-PACE</i>	<i>2. COJ Const.</i>	<i>3. LP Equity</i>	<i>4. HTC Equity</i>	<i>5. Key Money</i>	<i>6. COJ. E.D.</i>	<i>7. Senior Debt</i>	<i>Total Draws</i>
10/1/2024	190,246	1,218,000	<b>1,408,246</b>	-	-	1,408,246	-	-	-	-	<b>1,408,246</b>
11/1/2024	362,758	249,083	<b>611,841</b>	-	224,507	387,334	-	-	-	-	<b>611,841</b>
12/1/2024	370,281	249,083	<b>619,365</b>	-	227,268	392,097	-	-	-	-	<b>619,365</b>
1/1/2025	497,112	249,083	<b>746,196</b>	-	273,807	472,389	-	-	-	-	<b>746,196</b>
2/1/2025	749,699	249,083	<b>998,782</b>	-	366,490	632,292	-	-	-	-	<b>998,782</b>
3/1/2025	764,209	249,083	<b>1,013,293</b>	-	371,814	641,478	-	-	-	-	<b>1,013,293</b>
4/1/2025	1,166,198	249,083	<b>1,415,282</b>	-	519,319	895,963	-	-	-	-	<b>1,415,282</b>
5/1/2025	1,670,297	249,083	<b>1,919,380</b>	661,950	461,397	170,200	625,833	-	-	-	<b>1,919,380</b>
6/1/2025	2,735,461	249,083	<b>2,984,544</b>	1,084,082	697,349	-	1,203,113	-	-	-	<b>2,984,544</b>
7/1/2025	3,124,014	249,083	<b>3,373,098</b>	1,238,069	783,421	-	1,351,609	-	-	-	<b>3,373,098</b>
8/1/2025	3,251,920	249,083	<b>3,501,003</b>	1,288,758	811,754	-	1,400,491	-	-	-	<b>3,501,003</b>
9/1/2025	3,371,764	249,083	<b>3,620,848</b>	1,336,254	838,301	-	1,446,293	-	-	-	<b>3,620,848</b>
10/1/2025	3,355,642	249,083	<b>3,604,725</b>	1,329,864	834,730	-	1,440,131	-	-	-	<b>3,604,725</b>
11/1/2025	3,395,948	83,333	<b>3,479,282</b>	1,345,838	782,839	-	230,811	1,000,000	119,794	-	<b>3,479,282</b>
12/1/2025	3,733,447	83,333	<b>3,816,780</b>	1,479,591	857,601	-	-	-	1,080,206	399,383	<b>3,816,780</b>
1/1/2026	3,785,039	83,333	<b>3,868,373</b>	1,500,037	869,029	-	-	-	-	1,499,306	<b>3,868,373</b>
2/1/2026	4,118,239	83,333	<b>4,201,572</b>	1,632,087	942,839	-	-	-	-	1,626,647	<b>4,201,572</b>
3/1/2026	4,001,619	83,333	<b>4,084,952</b>	1,585,869	917,005	-	-	-	-	1,582,078	<b>4,084,952</b>
4/1/2026	4,164,457	83,333	<b>4,247,790</b>	1,650,403	953,077	-	-	-	-	1,644,311	<b>4,247,790</b>
5/1/2026	4,284,301	83,333	<b>4,367,635</b>	1,697,898	979,624	-	-	-	-	1,690,112	<b>4,367,635</b>
6/1/2026	4,271,941	83,333	<b>4,355,274</b>	1,693,000	976,886	-	-	-	-	1,685,388	<b>4,355,274</b>
7/1/2026	4,198,314	83,333	<b>4,281,648</b>	1,663,821	960,577	-	-	-	-	1,657,250	<b>4,281,648</b>
8/1/2026	3,788,264	83,333	<b>3,871,597</b>	1,501,315	869,743	-	-	-	-	1,500,539	<b>3,871,597</b>
9/1/2026	3,467,962	83,333	<b>3,551,296</b>	1,374,377	798,791	-	-	-	-	1,378,127	<b>3,551,296</b>
10/1/2026	3,351,343	83,333	<b>3,434,676</b>	1,328,160	772,958	-	-	-	-	1,333,558	<b>3,434,676</b>
11/1/2026	1,616,555	-	<b>1,616,555</b>	640,652	358,095	-	-	-	-	617,809	<b>1,616,555</b>
12/1/2026	794,842	-	<b>794,842</b>	315,001	176,071	-	-	-	-	303,770	<b>794,842</b>
1/1/2027	668,011	250,000	<b>918,011</b>	264,738	239,710	-	-	-	-	413,564	<b>918,011</b>
<b>Total</b>	<b>71,249,886</b>	<b>5,457,000</b>	<b>76,706,886</b>	<b>26,611,764</b>	<b>17,865,000</b>	<b>5,000,000</b>	<b>7,698,281</b>	<b>1,000,000</b>	<b>1,200,000</b>	<b>17,331,841</b>	<b>76,706,886</b>

**Multifamily Estimated Draw Schedule (Construction & Related Soft Costs)**

<i>Date</i>	<i>Hard Costs</i>	<i>Soft Costs</i>	<i>Total Costs</i>	<i>1. COJ Const.</i>	<i>2. HTC Equity</i>	<i>3. COJ. E.D.</i>	<i>4. COJ DPRP</i>	<i>5. Senior Debt</i>	<i>Total Draws</i>
10/1/2024	188,616	461,000	<b>649,616</b>	-	649,616	-	-	-	<b>649,616</b>
11/1/2024	359,649	223,667	<b>583,316</b>	192,342	390,973	-	-	-	<b>583,316</b>
12/1/2024	367,108	223,667	<b>590,775</b>	194,802	395,973	-	-	-	<b>590,775</b>
1/1/2025	492,852	223,667	<b>716,519</b>	236,265	480,254	-	-	-	<b>716,519</b>
2/1/2025	743,274	223,667	<b>966,941</b>	318,839	648,102	-	-	-	<b>966,941</b>
3/1/2025	757,660	223,667	<b>981,327</b>	323,582	435,081	222,663	-	-	<b>981,327</b>
4/1/2025	1,156,204	223,667	<b>1,379,871</b>	454,998	-	577,337	347,537	-	<b>1,379,871</b>
5/1/2025	1,655,983	223,667	<b>1,879,650</b>	619,795	-	-	1,259,855	-	<b>1,879,650</b>
6/1/2025	2,712,019	223,667	<b>2,935,685</b>	968,011	-	-	1,967,674	-	<b>2,935,685</b>
7/1/2025	3,097,242	223,667	<b>3,320,909</b>	1,095,035	-	-	2,225,874	-	<b>3,320,909</b>
8/1/2025	3,224,052	223,667	<b>3,447,719</b>	1,136,849	-	-	2,310,870	-	<b>3,447,719</b>
9/1/2025	3,342,869	223,667	<b>3,566,536</b>	1,176,028	-	-	2,390,508	-	<b>3,566,536</b>
10/1/2025	3,326,885	223,667	<b>3,550,552</b>	1,170,757	-	-	2,379,795	-	<b>3,550,552</b>
11/1/2025	3,366,846	125,000	<b>3,491,846</b>	1,151,399	-	-	2,340,446	-	<b>3,491,846</b>
12/1/2025	3,701,453	125,000	<b>3,826,453</b>	1,261,732	-	-	2,564,720	-	<b>3,826,453</b>
1/1/2026	3,752,603	125,000	<b>3,877,603</b>	1,278,599	-	-	2,599,004	-	<b>3,877,603</b>
2/1/2026	4,082,947	125,000	<b>4,207,947</b>	1,387,526	-	-	1,647,717	1,172,703	<b>4,207,947</b>
3/1/2026	3,967,326	125,000	<b>4,092,326</b>	1,349,402	-	-	-	2,742,925	<b>4,092,326</b>
4/1/2026	4,128,769	125,000	<b>4,253,769</b>	1,402,635	-	-	-	2,851,133	<b>4,253,769</b>
5/1/2026	4,247,586	125,000	<b>4,372,586</b>	1,441,814	-	-	-	2,930,772	<b>4,372,586</b>
6/1/2026	4,235,331	125,000	<b>4,360,331</b>	1,437,773	-	-	-	2,922,558	<b>4,360,331</b>
7/1/2026	4,162,336	125,000	<b>4,287,336</b>	1,413,704	-	-	-	2,873,632	<b>4,287,336</b>
8/1/2026	3,755,799	125,000	<b>3,880,799</b>	1,279,653	-	-	-	2,601,147	<b>3,880,799</b>
9/1/2026	3,438,243	125,000	<b>3,563,243</b>	1,174,942	-	-	-	2,388,301	<b>3,563,243</b>
10/1/2026	3,322,622	125,000	<b>3,447,622</b>	1,136,817	-	-	-	2,310,805	<b>3,447,622</b>
11/1/2026	1,602,702	-	<b>1,602,702</b>	528,474	-	-	-	1,074,228	<b>1,602,702</b>
12/1/2026	788,031	-	<b>788,031</b>	259,845	-	-	-	528,186	<b>788,031</b>
1/1/2027	662,287	-	<b>662,287</b>	218,382	-	-	-	443,905	<b>662,287</b>
<b>Total</b>	<b>70,639,294</b>	<b>4,645,000</b>	<b>75,284,294</b>	<b>24,610,000</b>	<b>3,000,000</b>	<b>800,000</b>	<b>22,034,000</b>	<b>24,840,294</b>	<b>75,284,294</b>



**Hotel Preliminary Debt Service Schedule**

<i>Date</i>	<i>Principal</i>	<i>Interest (Semi)</i>	<i>CAPX</i>	<i>Net D/S</i>	<i>Balance</i>	<i>Int. Buydown</i>
11/1/2024	-	-	-	-	9,368,159	-
12/1/2024	-	-	-	-	9,368,159	-
1/1/2025	-	-	-	-	9,368,159	-
2/1/2025	-	-	-	-	9,368,159	-
3/1/2025	-	-	-	-	9,368,159	-
4/1/2025	-	281,045	(281,045)	-	9,368,159	1,602,000
5/1/2025	-	-	-	-	9,368,159	-
6/1/2025	-	-	-	-	9,368,159	-
7/1/2025	-	-	-	-	9,368,159	-
8/1/2025	-	-	-	-	9,368,159	-
9/1/2025	-	-	-	-	9,368,159	-
10/1/2025	-	281,045	(281,045)	-	9,368,159	1,602,000
11/1/2025	-	-	-	-	9,767,542	-
12/1/2025	-	-	-	-	9,767,542	-
1/1/2026	-	-	-	-	9,767,542	-
2/1/2026	-	-	-	-	14,475,573	-
3/1/2026	-	-	-	-	14,475,573	-
4/1/2026	-	338,110	(338,110)	-	14,475,573	1,602,000
5/1/2026	-	-	-	-	19,495,385	-
6/1/2026	-	-	-	-	19,495,385	-
7/1/2026	-	-	-	-	19,495,385	-
8/1/2026	-	-	-	-	24,031,300	-
9/1/2026	-	-	-	-	24,031,300	-
10/1/2026	-	605,122	(605,122)	-	24,031,300	1,602,000
11/1/2026	-	-	-	-	26,700,000	-
12/1/2026	-	-	-	-	26,700,000	-
1/1/2027	-	-	-	-	26,700,000	-
2/1/2027	-	-	-	-	26,700,000	-
3/1/2027	-	-	-	-	26,700,000	-
4/1/2027	-	787,657	(787,657)	-	26,700,000	1,602,000
5/1/2027	-	-	-	-	26,700,000	-
6/1/2027	-	-	-	-	26,700,000	-
7/1/2027	-	-	-	-	26,700,000	-
8/1/2027	-	-	-	-	26,700,000	-
9/1/2027	-	-	-	-	26,700,000	-
10/1/2027	-	801,000	(450,000)	<b>351,000</b>	26,700,000	1,602,000
11/1/2027	-	-	-	-	26,700,000	-
12/1/2027	-	-	-	-	26,700,000	-
1/1/2028	-	-	-	-	26,700,000	-
2/1/2028	-	-	-	-	26,700,000	-
3/1/2028	-	-	-	-	26,700,000	-
4/1/2028	-	801,000	-	<b>801,000</b>	26,700,000	1,602,000
5/1/2028	-	-	-	-	26,700,000	-
6/1/2028	-	-	-	-	26,700,000	-
7/1/2028	-	-	-	-	26,700,000	-
8/1/2028	-	-	-	-	26,700,000	-
9/1/2028	-	-	-	-	26,700,000	-
10/1/2028	-	801,000	-	<b>801,000</b>	26,700,000	1,602,000
11/1/2028	-	-	-	-	26,700,000	-
12/1/2028	-	-	-	-	26,700,000	-
1/1/2029	-	-	-	-	26,700,000	-
2/1/2029	-	-	-	-	26,700,000	-
3/1/2029	-	-	-	-	26,700,000	-
4/1/2029	-	801,000	-	<b>801,000</b>	26,700,000	1,602,000
5/1/2029	-	-	-	-	26,700,000	-
6/1/2029	-	-	-	-	26,700,000	-
7/1/2029	-	-	-	-	26,700,000	-
8/1/2029	-	-	-	-	26,700,000	-
9/1/2029	-	-	-	-	26,700,000	-
10/1/2029	30,705,000	801,000	-	<b>31,506,000</b>	-	1,602,000

**Multifamily Preliminary Debt Service Schedule**

<i>Date</i>	<i>Principal</i>	<i>Interest</i>	<i>CAP</i>	<i>Net D/S</i>	<i>Drawdown</i>
11/1/2024	-	67,998	(67,998)	-	8,159,706
12/1/2024	-	67,998	(67,998)	-	8,159,706
1/1/2025	-	67,998	(67,998)	-	8,159,706
2/1/2025	-	67,998	(67,998)	-	8,159,706
3/1/2025	-	67,998	(67,998)	-	8,159,706
4/1/2025	-	67,998	(67,998)	-	8,159,706
5/1/2025	-	67,998	(67,998)	-	8,159,706
6/1/2025	-	67,998	(67,998)	-	8,159,706
7/1/2025	-	67,998	(67,998)	-	8,159,706
8/1/2025	-	67,998	(67,998)	-	8,159,706
9/1/2025	-	67,998	(67,998)	-	8,159,706
10/1/2025	-	67,998	(67,998)	-	8,159,706
11/1/2025	-	67,998	(67,998)	-	8,159,706
12/1/2025	-	67,998	(67,998)	-	8,159,706
1/1/2026	-	67,998	(67,998)	-	8,159,706
2/1/2026	-	67,998	(67,998)	-	9,332,410
3/1/2026	-	77,770	(77,770)	-	12,075,334
4/1/2026	-	100,628	(100,628)	-	14,926,468
5/1/2026	-	124,387	(124,387)	-	17,857,239
6/1/2026	-	148,810	(148,810)	-	20,779,797
7/1/2026	-	173,165	(173,165)	-	23,653,429
8/1/2026	-	197,112	(197,112)	-	26,254,576
9/1/2026	-	218,788	(218,788)	-	28,642,877
10/1/2026	-	238,691	(238,691)	-	30,953,682
11/1/2026	-	257,947	(257,947)	-	32,027,910
12/1/2026	-	266,899	(266,899)	-	32,556,095
1/1/2027	-	271,301	(271,301)	-	33,000,000
2/1/2027	-	275,000	-	<b>275,000</b>	33,000,000
3/1/2027	-	275,000	-	<b>275,000</b>	33,000,000
4/1/2027	-	275,000	-	<b>275,000</b>	33,000,000
5/1/2027	-	275,000	-	<b>275,000</b>	33,000,000
6/1/2027	-	275,000	-	<b>275,000</b>	33,000,000
7/1/2027	-	275,000	-	<b>275,000</b>	33,000,000
8/1/2027	-	275,000	-	<b>275,000</b>	33,000,000
9/1/2027	-	275,000	-	<b>275,000</b>	33,000,000
10/1/2027	-	275,000	-	<b>275,000</b>	33,000,000
11/1/2027	-	275,000	-	<b>275,000</b>	33,000,000
12/1/2027	-	275,000	-	<b>275,000</b>	33,000,000
1/1/2028	-	275,000	-	<b>275,000</b>	33,000,000
2/1/2028	-	275,000	-	<b>275,000</b>	33,000,000
3/1/2028	-	275,000	-	<b>275,000</b>	33,000,000
4/1/2028	-	275,000	-	<b>275,000</b>	33,000,000
5/1/2028	-	275,000	-	<b>275,000</b>	33,000,000
6/1/2028	-	275,000	-	<b>275,000</b>	33,000,000
7/1/2028	-	275,000	-	<b>275,000</b>	33,000,000
8/1/2028	-	275,000	-	<b>275,000</b>	33,000,000
9/1/2028	-	275,000	-	<b>275,000</b>	33,000,000
10/1/2028	-	275,000	-	<b>275,000</b>	33,000,000
11/1/2028	-	275,000	-	<b>275,000</b>	33,000,000
12/1/2028	-	275,000	-	<b>275,000</b>	33,000,000
1/1/2029	-	275,000	-	<b>275,000</b>	33,000,000
2/1/2029	-	275,000	-	<b>275,000</b>	33,000,000
3/1/2029	-	275,000	-	<b>275,000</b>	33,000,000
4/1/2029	-	275,000	-	<b>275,000</b>	33,000,000
5/1/2029	-	275,000	-	<b>275,000</b>	33,000,000
6/1/2029	-	275,000	-	<b>275,000</b>	33,000,000
7/1/2029	-	275,000	-	<b>275,000</b>	33,000,000
8/1/2029	-	275,000	-	<b>275,000</b>	33,000,000
9/1/2029	-	275,000	-	<b>275,000</b>	33,000,000
10/1/2029	33,000,000	275,000	-	<b>33,275,000</b>	-

Hotel P&L	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Fiscal Year #	0	1	2	3	4	5	6
<b>Operating Revenues</b>							
Rooms	-	-	-	7,209,000	8,194,000	8,976,000	9,245,000
Food	-	-	-	7,426,000	8,161,000	8,669,000	8,930,000
Beverage	-	-	-	5,075,000	5,483,000	5,780,000	5,953,000
Other Operated Departments	-	-	-	194,000	218,000	232,000	239,000
Parking	-	-	-	642,000	734,000	788,000	812,000
Miscellaneous Income	-	-	-	10,000	11,000	12,000	12,000
<b>Total Operating Revenues</b>	-	-	-	<b>20,556,000</b>	<b>22,801,000</b>	<b>24,457,000</b>	<b>25,191,000</b>
<b>Departmental Expenses</b>							
Rooms	-	-	-	1,650,000	1,758,000	1,840,000	1,895,000
Food & Beverage	-	-	-	8,835,000	9,333,000	9,733,000	10,025,000
Other Operated Departments	-	-	-	105,000	111,000	116,000	119,000
<b>Total Expenses</b>	-	-	-	<b>10,590,000</b>	<b>11,202,000</b>	<b>11,689,000</b>	<b>12,039,000</b>
<b>Departmental Income</b>	-	-	-	<b>9,966,000</b>	<b>11,599,000</b>	<b>12,768,000</b>	<b>13,152,000</b>
<b>Undistributed Operating Expenses</b>							
Administrative & General	-	-	-	984,000	1,031,000	1,072,000	1,105,000
Info & Telecom Systems	-	-	-	118,000	124,000	129,000	133,000
Marketing	-	-	-	551,000	577,000	601,000	619,000
Franchise Fee	-	-	-	324,000	369,000	404,000	508,000
Prop. Operations & Maint.	-	-	-	315,000	371,000	429,000	442,000
Utilities	-	-	-	315,000	330,000	343,000	353,000
<b>Total Expenses</b>	-	-	-	<b>2,607,000</b>	<b>2,802,000</b>	<b>2,978,000</b>	<b>3,160,000</b>
<b>Gross Operating Profit</b>	-	-	-	<b>7,359,000</b>	<b>8,797,000</b>	<b>9,790,000</b>	<b>9,992,000</b>
Management Fee	-	-	-	617,000	684,000	734,000	756,000
<b>Income Before Non-Opr. Inc. &amp; Exp.</b>	-	-	-	<b>6,742,000</b>	<b>8,113,000</b>	<b>9,056,000</b>	<b>9,236,000</b>
<b>Non-Operating Income &amp; Expense</b>							
Property Taxes	-	-	-	165,000	166,000	171,000	175,000
Insurance	-	-	-	283,000	292,000	300,000	309,000
<b>C-PACE Loan Payable</b>							
Principal	-	-	-	275,848	291,408	34,600,321	-
Interest	-	1,483,032	2,990,645	2,990,645	2,975,085	2,941,931	-
Less: Gross Refi Proceeds	-	-	-	-	-	(34,600,321)	-
Less: Capitalized Interest	-	(1,483,032)	(2,990,645)	(2,990,645)	-	-	-
<b>Net Debt Service Obligation Payable</b>	-	-	-	<b>275,848</b>	<b>3,266,493</b>	<b>2,941,931</b>	-
C-PACE Admin Fee	-	-	-	5,517	65,330	65,330	-
<b>Total Expenses</b>	-	-	-	<b>729,365</b>	<b>3,789,823</b>	<b>3,478,261</b>	<b>484,000</b>
<b>EBITDA</b>	-	-	-	<b>6,012,635</b>	<b>4,323,177</b>	<b>5,577,739</b>	<b>8,752,000</b>
Reserve for Replacement	-	-	-	411,000	684,000	978,000	1,008,000
<b>EBITDA LESS RESERVE</b>	-	-	-	<b>5,601,635</b>	<b>3,639,177</b>	<b>4,599,739</b>	<b>7,744,000</b>
<b>Senior Debt Payable</b>							
Principal	-	-	-	-	-	30,705,000	-
Interest	93,682	564,086	1,101,209	1,602,000	1,602,000	1,335,000	-
Less: Gross Refi Proceeds	-	-	-	-	-	(30,705,000)	-
Less: Capitalized Interest	-	(562,090)	(943,231)	(1,237,657)	-	-	-
<b>Net Debt Service Obligation Payable</b>	<b>93,682</b>	<b>1,997</b>	<b>157,978</b>	<b>364,343</b>	<b>1,602,000</b>	<b>1,335,000</b>	-
Senior DSCR	<b>0.00x</b>	<b>0.00x</b>	<b>0.00x</b>	<b>15.37x</b>	<b>2.27x</b>	<b>3.45x</b>	<b>N/A</b>

Multifamily P&L	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Fiscal Year #	0	1	2	3	4	5	6
<b>Operating Revenues</b>							
Gross Potential Rent	-	-	-	5,063,948	5,215,866	5,372,342	5,533,512
Less: Vacancy	-	-	-	(170,102)	(175,205)	(180,462)	(185,875)
<b>Net Rental Revenue</b>	-	-	-	<b>4,893,846</b>	<b>5,040,661</b>	<b>5,191,880</b>	<b>5,347,637</b>
Net Other Income	-	-	-	365,942	376,920	388,227	399,874
Net Retail Income	-	-	-	184,428	189,961	195,660	201,529
Net Pass-Thru	-	-	-	55,760	57,432	59,155	60,930
<b>Effective Gross Income</b>	-	-	-	<b>5,499,976</b>	<b>5,664,974</b>	<b>5,834,922</b>	<b>6,009,970</b>
Operating Expenses	-	-	-	1,675,913	1,726,191	1,777,977	1,831,316
<b>Net Operating Income</b>	-	-	-	<b>3,824,063</b>	<b>3,938,783</b>	<b>4,056,945</b>	<b>4,178,654</b>
Plus: REV Grant	-	-	-	-	370,000	370,000	370,000
<b>NOI w/ REV Grant</b>	-	-	-	<b>3,824,063</b>	<b>4,308,783</b>	<b>4,426,945</b>	<b>4,548,654</b>
<b>Debt Service Payable</b>							
Principal	-	-	-	-	-	33,000,000	-
Interest	135,995	815,971	1,940,193	3,296,301	3,300,000	2,750,000	-
Less: Gross Refi Proceeds	-	-	-	-	-	(33,000,000)	-
Less: Capitalized Interest	(135,995)	(815,971)	(1,940,193)	(271,301)	-	-	-
<b>Net Debt Service Obligation Payable</b>	-	-	-	<b>3,025,000</b>	<b>3,300,000</b>	<b>2,750,000</b>	-
DSCR	N/A	N/A	N/A	1.26x	1.31x	1.61x	N/A

Laura Street Trio - Summary Sources & Uses as of 6/17/2024

<b>SOURCES</b>	<b>Hotel</b>	<b>Multifamily</b>	<b>Total</b>
Land Value	3,196,139	4,192,454	7,388,592
Predevelopment Equity	3,262,606	2,245,563	5,508,168
Hotel Manager Key Money	1,000,000	-	1,000,000
HTC Equity (Bridged)	7,698,281	3,000,000	10,698,281
LP Equity	5,000,000	-	5,000,000
<b>Total Private Equity Sources</b>	<b>20,157,025</b>	<b>9,438,016</b>	<b>29,595,041</b>
Forgivable Economic Development Loan	5,330,000	2,970,000	8,300,000
Grant #1*	33,885,000	27,673,251	61,558,251
Grant #2 (Bridged)	-	12,034,000	12,034,000
Grant #3 (Bridged)	-	5,257,748	5,257,748
<i>Gross COJ Contributions</i>	<i>39,215,000</i>	<i>47,935,000</i>	<i>87,150,000</i>
Less: Hotel Senior Lender Interest Buydown Held in Trust Account	(16,020,000)	-	(16,020,000)
Less: Estimated Bridge Loan Interest Expense	-	(3,063,251)	(3,063,251)
<b>Net COJ Contribution Available to Project</b>	<b>23,195,000</b>	<b>44,871,748</b>	<b>68,066,748</b>
Applied Reinvestment Earnings	-	4,742,252	4,742,252
C-PACE Loan	34,825,000	-	34,825,000
Senior Debt	26,700,000	33,000,000	59,700,000
Less: Original Issue Discount	(2,670,000)	-	(2,670,000)
<b>Total Net Debt</b>	<b>58,855,000</b>	<b>33,000,000</b>	<b>91,855,000</b>
<b>TOTAL SOURCES:</b>	<b>102,207,025</b>	<b>92,052,016</b>	<b>194,259,041</b>
<b>USES</b>	<b>Hotel</b>	<b>Multifamily</b>	<b>Total</b>
Land Value	3,196,139	4,192,454	7,388,592
Predevelopment Equity	3,262,606	2,245,563	5,508,168
Hard Costs**	71,249,886	70,639,294	141,889,180
Soft Costs	5,457,000	4,645,000	10,102,000
<b>Total Construction</b>	<b>76,706,886</b>	<b>75,284,294</b>	<b>151,991,180</b>
Retire Bridge Loan	4,130,000	2,170,000	6,300,000
Capitalized Interest (C-PACE)	7,464,323	-	7,464,323
Admin Fees (C-PACE)	748,913	-	748,913
Capitalized Interest (HTC Bridge)	-	-	-
Financing & Placement Fees	1,289,341	1,728,822	3,018,163
Legal Fees	665,000	585,000	1,250,000
Capitalized Interest (Senior Debt)	2,742,977	3,095,462	5,838,439
Debt Service Reserve Fund	2,000,000	-	2,000,000
Operating Reserve	-	2,750,000	2,750,000
Additional Proceeds	841	423	1,263
<b>TOTAL USES:</b>	<b>102,207,025</b>	<b>92,052,016</b>	<b>194,259,041</b>

\*Grant #1 does NOT reflect \$1,850,000 in total multifamily REV Grant money through 5 years (\$370,000 annually).

\*\*Multifamily hard cost value slightly exceeds amount shown on Turner schedule. The value reflects an increase to 5% contingency based on senior lender requirement.