

**PILOT Application:**

**440 Monroe Ave, Memphis TN 38103**

Administered by:

Page | 1 Center City Revenue Finance Corporation

Dear Members of the Board,

On behalf of Six Land Company, LLC and University Lofts (UL), I am excited to present this application for the opportunity to form a partnership with the Downtown Memphis Commission (DMC) through a 12-year PILOT agreement. This will enable the development of a unique residential concept that will sit at the heart of the Edge District and serves as an attraction to both Memphians and visitors alike.

The proposed development location connects the urban core of the city to the Memphis Medical District. The Edge District itself has a present need for residential density while serving as an anchor between the city core and Medical District. University Lofts is modeled to attract first time renters, medical and business professionals, and graduate students - a profile that is tailor-made for the needs of the area.

The Edge District is one of Memphis' fastest growing revitalization areas where residents and visitors alike are near downtown, close to Beale Street, and even closer to AutoZone Park. The Ravine is the latest addition to this ever-expanding neighborhood. A cornerstone of The Ravine Project will become Memphis Made Brewery's newest taproom. The proposed *University Lofts Memphis* will be directly adjacent to the taproom and a key stretch of the Ravine. We believe our development will enhance this project as residents will be able to walk down their stairs or open their window to experience the sights and sounds of The Ravine.

The development of *University Lofts Memphis* is contingent on relief from considerable taxes assessed on new construction. A PILOT is essential to secure the financing necessary to bring this project to The Edge District. With increasing inflation and heightening construction costs, it has made the PILOT even more necessary.

Our team at University Lofts is excited to show our commitment to the Edge District and we look forward to the opportunity to partner with the Downtown Memphis Commission.

Sincerely,



Parker Sitton

Vice President of Real Estate

University Lofts

1. **Applicant Background of the applying entity**

*State the name(s) of the applying entity's representatives and any other financial guarantors of the Project and their addresses and telephone numbers if different from above.*

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Applicant:

Six Land Company, LLC d/b/a University Lofts Memphis

Address:

215 Union St. STE 400

Jonesboro, AR 72401

Representatives:

Andrew Berner

President

University Lofts and Jetton General Contracting

870-476-0410

Parker Sitton

Vice President of Real Estate

University Lofts

720-498-4651

2. *Provide background information about the applicant and guarantors, including development experience, if any, and all other relevant information this organization may need to consider while reviewing the application. Describe the corporate or partnership structure as applicable.*

**University Lofts** – University Lofts (UL) has a committed team of professionals with a wide array of backgrounds. Based in Jonesboro, Arkansas, University Lofts opened its first mixed-use development in Downtown Jonesboro in the fall of 2020. UL currently has additional developments underway in the state of Arkansas in Jonesboro (Greensborough Village), Conway, and Russellville. University Lofts is a “sister” company to Jetton General Contracting – builder of all the UL developments.

**Jetton General Contracting** - Jetton General Contracting is a wholly owned, independent general contractor that specializes in complex and fast paced construction projects across multiple industries. Starting as an electrical contractor over 42 years ago, the company added to its core focus in 1998 to include project oversight performed as the general contractor. At that time, Jetton General Contracting also began to build a national infrastructure that would allow the company to service customers across the United States. Jetton General Contracting attributes their success to three core competencies that all employees share; to be comprehensive, innovative, and precise in everything they do.

### 3. Proposed Project description

a) *Location:*

Project Address: 440 Monroe Avenue, Memphis Tennessee 38103

Parcel ID: 007002 00006C

Parcel ID: 007002 00004C

The EDGE District is an emergent neighborhood, thanks to the work of committed developers and the Downtown Memphis Commission (DMC). Exciting new apartments near a diverse grouping of restaurants, shops, and breweries, have created a desirable area that attracts potential residents. **440 Monroe Avenue** is in the heart of this district - adjacent to The Rise Apartments, Memphis Made Brewery, and The Ravine.

b) *Intended Use:*

The proposed *University Lofts Memphis* project would bring a unique concept of residential living to the market. Containing 105 furnished studio lofts, *University Lofts Memphis* will bring a unique residential style of living to professionals in the city core and the nearby Medical District. In addition, the development will also provide a viable option for students of the University of Tennessee Health Science Center (UTHSC) campus.

- c) *Economic and Environmental impact:*  
Most recently the site has been used as warehousing and office space. The proposed development would bring over 110 new residents to downtown Memphis. The site is immediately adjacent and overlooks the EDGE District Ravine project. *University Lofts Memphis* will give potential residents an opportunity to live on The Ravine and indulge in the food and entertainment offerings. The project development will spend approximately \$20,000,000 with local trades and professionals. Based on statistics provided by the National Multi Family Housing Council, it is expected that *University Lofts Memphis'* residents are projected to collectively contribute over 2.7 million dollars annually to the local economy.
- d) *The square footage of the building/ land area to be built:*  
Level 1 Parking Garage - 19,134 sq ft  
Levels 2,3,4 - 58,093 sq ft (combined levels total)  
Total Gross - 77,227 sq ft
- e) The attached exhibits include the conceptual plans and renderings.
- f) *A Letter from certified engineer, licensed in the State of Tennessee, as to the structural integrity of the building for its intended usage:*  
Existing buildings on-site will be demolished. The new building is being designed by Tennessee licensed architects and engineers. See Project Team details below.
- g) *State the Marketing plans for the project identifying the intended market. What types of lessees are anticipated?*  
University Lofts will feature residential living units that are fully furnished and include paid WIFI and utilities. Given the EDGE District location, the project will be marketed in such a way to attract medical and business professionals, first time renters, and students who value the simplicity and convenience of a furnished residential loft experience.
- h) *If the project is speculative, how long is full occupancy expected to take and who will manage the project?*  
Residential units are expected to be leased at market rates with full occupancy expected within 18 months following completion.
- i) *Are changes needed to the public space around the project? (for example; sidewalks, lighting and planting)*  
No public space changes are anticipated.

#### 4. Site Control

- a) *Name the property owner at the time of the application:*  
All parcels are owned by Six Land Company, LLC and affiliated entity University Lofts.  
Applicants have complete site control.

#### 5. Financial Items

- a) *Attach current audited financial statements of the applicant and guarantors. If audited financial statements are unavailable, please submit non-audited statements. State the relationship any applicant or grantor has had with any accounting firm of the last five years:*  
Audited financials and tax returns of development entity and guarantors are confidentially available upon further correspondence with the Board Attorney and the DMC President. University Lofts and associated entities have utilized the services of Ferguson Cobb and Associates, Certified Public Accountants, PLLC since 2014.
- b) *Describe any and all existing financing, options, and liens on the property:*  
Financing to be provided by Encore Bank, contingent upon PILOT approval. Encore Bank has committed to provide 80% loan equity while the developer will invest 20% personal equity.  
Encore Bank  
Michael Hallmark  
870-219-9541
- c) *State the estimated Project costs broken down by component (i.e., land, buildings, equipment, soft costs, etc.) attach bid estimates and show amounts to be paid from loans and equity amount.*  
See attached sources and uses.
- d) *Attach a cash flow pro-forma along with a statement of Sources and Uses of funds for the project.*  
See attached proforma.

#### 6. Project Timeline

See attached exhibit.

**7. Project Team**

*a) Architects and Engineers:*

**a. Architectural:**

**Arch 101 Design Studio**

Jamey McFadden – [jmcfadden@arch101.com](mailto:jmcfadden@arch101.com) 417-631-7608

Jeremy Ellis – [jellis@arch101.com](mailto:jellis@arch101.com) 870-243-0959

**b. Structural and Civil Engineering**

**Womble Engineering, LLC**

Ben B. Womble – [bwomble@wombleengineering.com](mailto:bwomble@wombleengineering.com) 901-604-0904

**Fowler Engineering, LLC**

L. Chad Fowler, P.E – [cfowler@fowlereng.com](mailto:cfowler@fowlereng.com) 662-469- 9571

**c. M, P, E, & FP Engineering**

**2GE – 2 Good Engineering**

Max Good – [max@2goodenginerring.com](mailto:max@2goodenginerring.com) 501-413-3597

*b) Contractor For Project:*

**a. Jetton General Contracting**

Timothy A. Redden – [tredden@jettoncon.com](mailto:tredden@jettoncon.com) 870-243-0959

*c) Other Professionals:*

**a. Project Management**

Jetton General Contracting

Timothy A. Redden – [tredden@jettoncon.com](mailto:tredden@jettoncon.com) 870-243-0959

**b. Active Fire Protection**

Kerry Smith – [kerry@activefirellc.com](mailto:kerry@activefirellc.com) 901-244-7972

*d) Does the applicant or guarantor have any previous or ongoing relationship with any board member or legal counsel of the board: **No.***

**8. References:**

**a) Michael Hallmark**

Executive Vice President, Northeast Arkansas Regional  
Encore Bank  
2211 Browns Ln, Jonesboro, AR 72401  
870-219-9541

**b) Elizabeth Caldwell**

Attorney  
Newland and Associates  
228 Cottdale Lane, Suite 220, Little Rock, AR 72202  
501-221-9393

**c) Casey Wright**

CPA  
Ferguson Cobb and Associates  
2228 Cottdale Ln, Little Rock, AR 72202  
501-221-3800

**9. Items for Lease Preparation:**

A) *State law requires that title to the projects be conveyed to CCRFC in order for it to grant payments in lieu of taxes; CCRFC then leases the property to the applicant or entity designated by the applicant. Indicate who the lessee will be for the Project.*

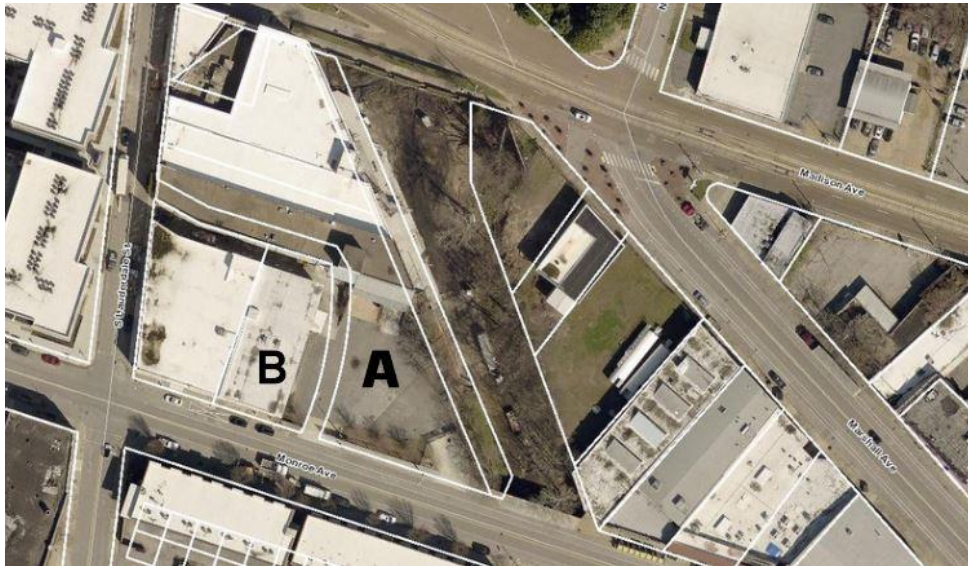
Six Land Company, LLC

a. *State the tax parcel number for all Property involved with the project and the current assessed value of the Property.*

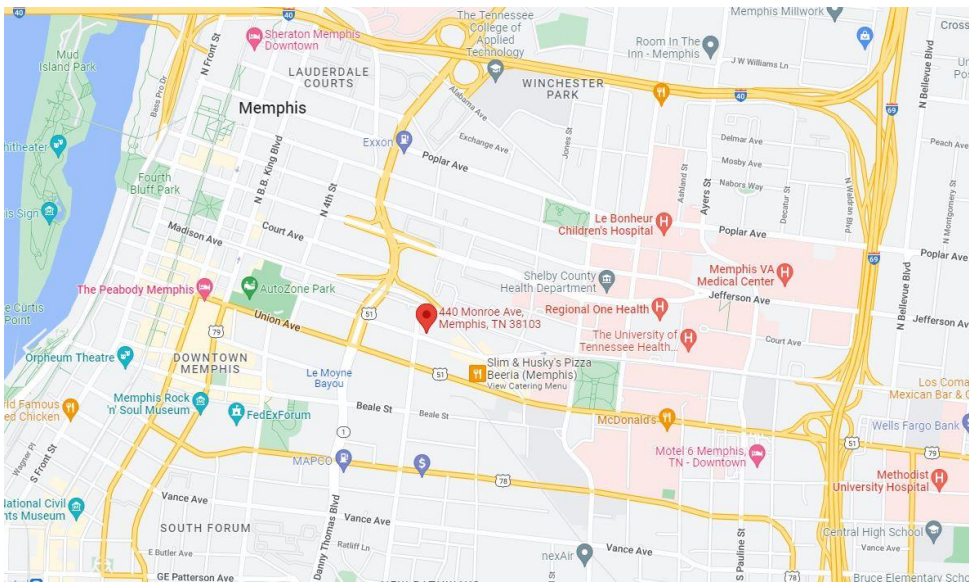
a. 007002 00004C - \$243,700

b. 007002 00006C - \$229,000

Parcel Map:



Area Map:





**10. Disclosures:**

a) *Please disclose whether applicant, guarantor or any other person involved with the project is currently engaged in any civil or criminal proceeding.*

**No.**

b) *Also, disclose whether any individual involved with the project has ever been charged or convicted of any felony or currently is under indictment.*

**No.**

c) *Please supply detailed information.*

**N/A**

**11. Applicant Affirmation:**

Parker Sitton

[psitton@universitylofts.info](mailto:psitton@universitylofts.info)

720-498-4651

University Lofts

215 Union St.

Jonesboro, AR 72401

This application is made in order to induce the Memphis Center City Revenue Finance Corporation (CCRFC) to grant financial incentives to the applicant. The applicant hereby represents that all statements contained herein are true and correct. All information materially significant to the CCRFC in its consideration of the application is included. The applicant expressly consents to the CCRFC's investigation of its credit in connection with this application. The applicant acknowledges that it has reviewed the descriptions of the CCRFC financial program for which it is applying and agrees to comply with those policies. The applicant will also be required to show a good faith effort with regard to the employment of MWBE contractors. The applicant specifically agrees to pay all reasonable costs, fees and expenses incurred by the CCRFC whether or not the incentive is granted or project completed.

Sincerely,



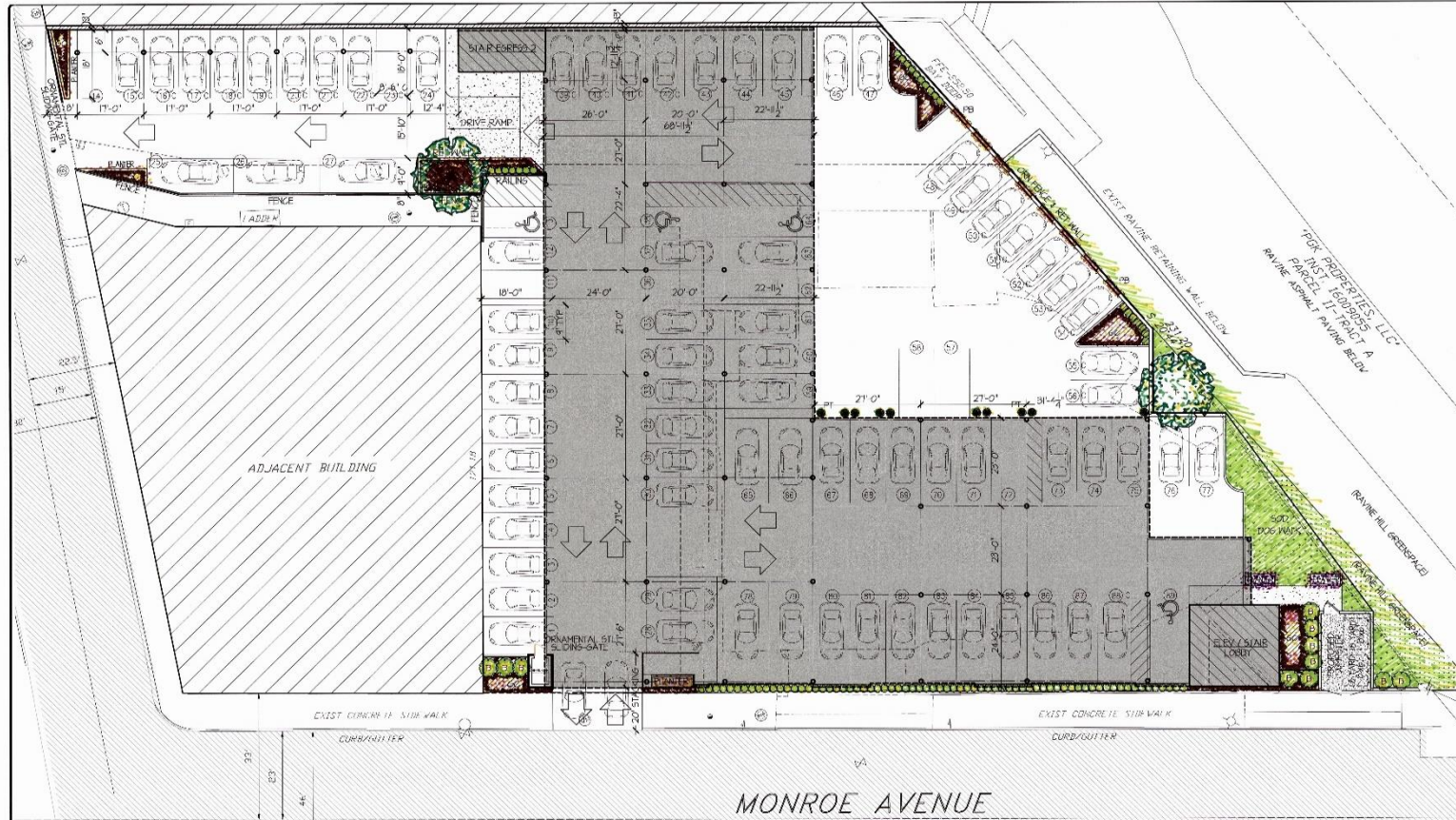
**Parker Sitton, University Lofts**

*On behalf of Six Land Company, LLC*

Index of Exhibits:

- A) Architectural Plans and Renderings
- B) Sources and Uses
- C) PILOT Grading Matrix
- D) PILOT Basis
- E) Proforma
- F) Project Schedule
- G) University Lofts Portfolio





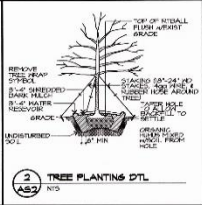
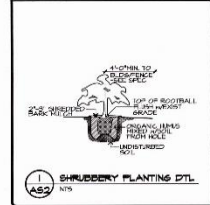
SCHEMATIC LANDSCAPE PLAN  
1/20

DATE	DESCRIPTION

REVISION	DATE	DESCRIPTION

SCHEMATIC LANDSCAPE PLAN

UNIVERSITY LOFTS - MEMPHIS  
1000 N. GUYTON  
MEMPHIS, TN 38103  
ARCHITECTS



**LANDSCAPE LEGEND**

1	SHRUB
2	TREE
3	PERENNIAL
4	GRASS
5	HYBRID BURNING

**LANDSCAPE SCHEDULE**

SYMBOL	DESCRIPTION	SIZE	QUANTITY	REMARKS
1	TREE 12" DBH 12" DBH PRIOR TO FINAL SUBMITTAL	12" DBH	TRD	SEE 2ND SET
2	SHRUB 12" DBH 12" DBH PRIOR TO FINAL SUBMITTAL	12" DBH	TRD	SEE 2ND SET
3	PERENNIAL 6" POT	6" POT	TRD	SEE PLAN
4	GRASS HYBRID BURNING			

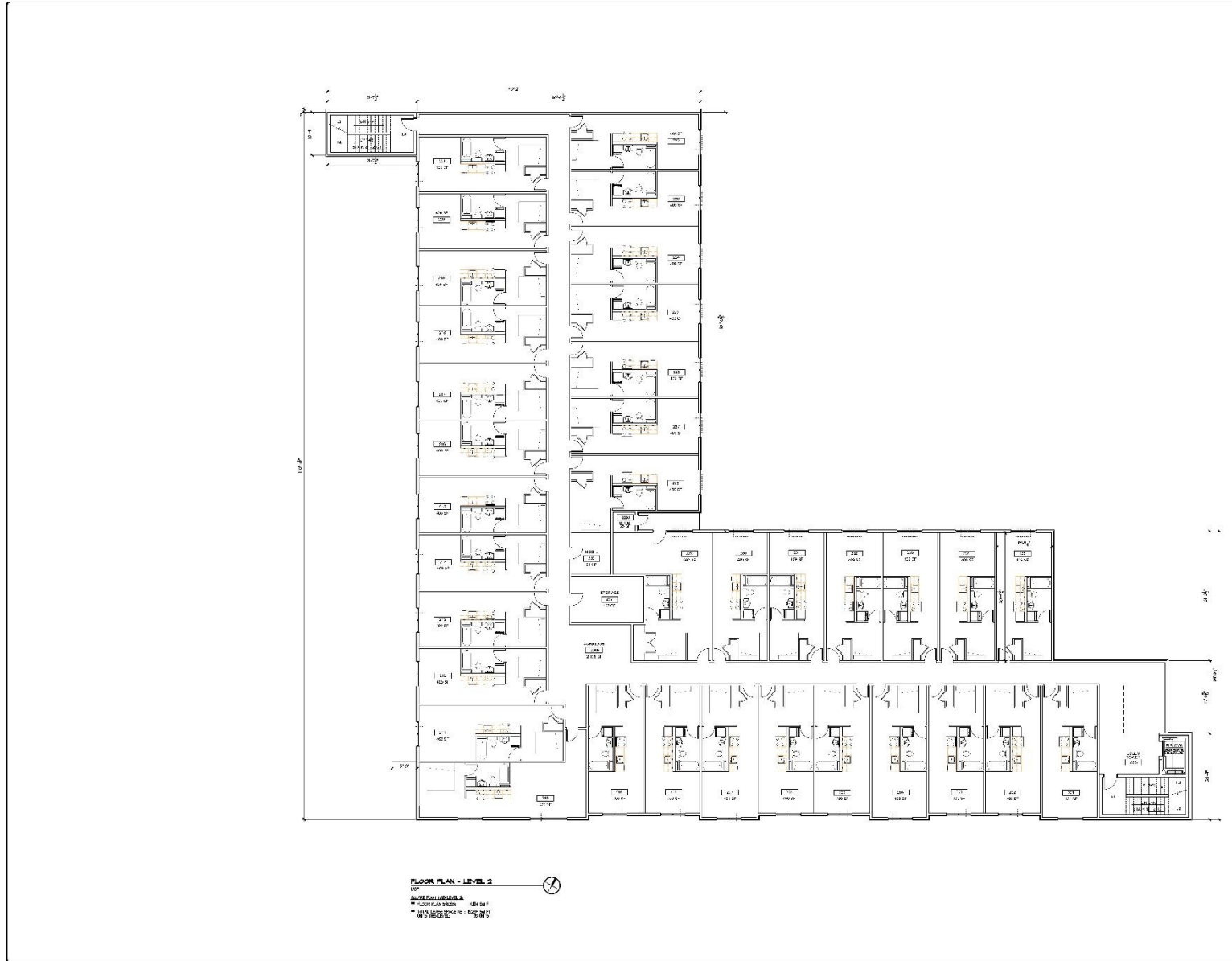
**REMARKS & GENERAL NOTES** SITE PLAN - LANDSCAPING


- ALL SOIL / SEED SHALL BE CERTIFIED BY STATE OF TENNESSEE.
- VARIATION OF PLANTS TO MEET ALL DESIGN REQUIREMENTS FOR LANDSCAPING IS THE RESPONSIBILITY OF THE LANDSCAPE CONTRACTOR WITH AVAILABILITY OF PLANTS & PER REQUIREMENTS.
- VARIATION OF TREE SPECIES TO MEET ALL DESIGN REQUIREMENTS FOR LANDSCAPING IS THE RESPONSIBILITY OF THE LANDSCAPE CONTRACTOR WITH AVAILABILITY OF TREES & PER REQUIREMENTS.
- IRRIGATION CONTROL LOCATIONS. SEE NEP SITE PLAN FOR NEP FOR IRRIGATION SCHEDULE, SCHEDULING & DRIVES. SEE NEP SITE PLAN FOR NEP.

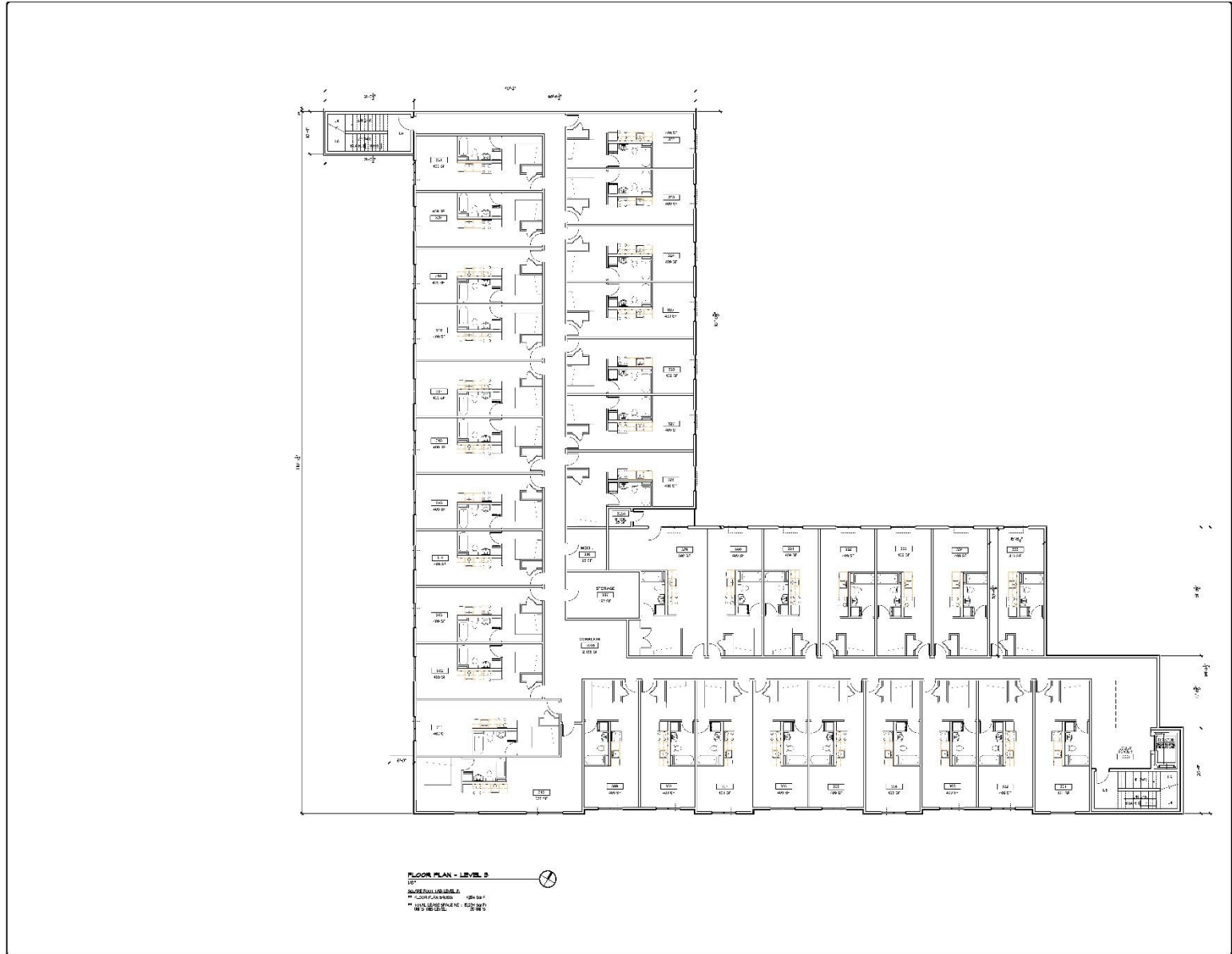


1000 N. GUYTON  
MEMPHIS, TN 38103

S2



<b>UNIVERSITY LOFTS - MEMPHIS</b>				
<small>UNIVERSITY LOFTS - MEMPHIS            300 WEST WASHINGTON            MEMPHIS, TN 38102            Phone: 901-524-1234</small>				
				
A2				



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UNIVERSITY LOFTS - MEMPHIS  
 PRELIMINARY FLOOR PLANS  
 LEVEL 3

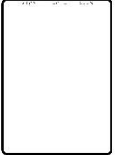
UNIVERSITY LOFTS - MEMPHIS  
 2801 UNIVERSITY BLVD  
 MEMPHIS, TN 38103  
 (901) 526-1100  
 WWW.UNIVERSITYLOFTS.COM



**A3**



FLOOR PLAN - LEVEL 4  
 1/2" = 1'-0"  
 ALL DIMENSIONS IN FEET AND INCHES  
 \* UNITS SUBJECT TO CHANGE



NO.	REVISIONS

UNIVERSITY LOFTS - MEMPHIS  
 LEVEL 4

UNIVERSITY LOFTS - MEMPHIS  
 300 WEST WASHINGTON  
 MEMPHIS, TN 38102  
 901.525.1234  
 www.universitylofts.com



A4

Front of UL Memphis from Monroe Ave





## Resident Parking



Sample Unit



The original UL loft along with renderings for a new and modified version, that makes the kitchen/bathroom space more efficient.



### Exhibit B – Sources and Uses

Sources and Uses			
Sources of Funds	Total	Per SF	Per Door
Equity Committed	4,429,456	57.36	42,185
Bank Loan Committed	16,000,000	207.18	152,381
<b>Total Sources</b>	<b>\$ 20,429,456</b>	<b>\$ 264.54</b>	<b>\$ 194,566</b>
<b>Uses of Funds</b>			
Financing Fees	863,014	11.18	8,219
Professional Fees	765,315	9.91	7,289
Construction	15,324,114	198.43	145,944
Contingency Cost	175,000	2.27	1,667
Land Cost	3,000,100	38.85	28,572
Pilot Fee	301,913	3.91	2,875
<b>Total Construction and Land Cost</b>	<b>\$ 20,429,456</b>	<b>\$ 264.54</b>	<b>\$ 194,566</b>

**Exhibit C – PILOT Grading Matrix**

<b>PRIMARY QUALIFICATION</b>		<b>SECONDARY QUALIFICATION</b>	
<b>RESIDENTIAL</b>			
2 to 5 Units:	<i>1 Year</i>	2 to 5 Units:	<i>.5 Year</i>
6 to 10 Units:	<i>2 Years</i>	6 to 10 Units:	<i>1 Year</i>
11 to 15 Units:	<i>3 Years</i>	11 to 15 Units:	<i>1.5 Years</i>
16 to 25 Units:	<i>4 Years</i>	16 to 25 Units:	<i>2 Years</i>
26 to 50 Units:	<i>5 Years</i>	26 to 50 Units:	<i>2.5 Years</i>
51 Units +:	<i>6 Years</i>	51 + Units:	<i>3 Years</i>
<b>OFFICE</b>			
Below 15,000 sf:	<i>1 Year</i>	Below 15,000 sf:	<i>.5 Year</i>
15,000 to 50,000:	<i>2 Years</i>	15,000 to 50,000:	<i>1 Year</i>
50,001 to 100,000:	<i>3 Years</i>	50,001 to 100,000:	<i>1.5 Years</i>
100,001 to 200,000:	<i>4 Years</i>	100,001 to 200,000:	<i>2 Years</i>
200,001 to 300,000:	<i>5 Years</i>	200,001 to 300,000:	<i>2.5 Years</i>
300,001 sf +:	<i>6 Years</i>	300,001 sf +:	<i>3 Years</i>
<b>EDUCATION</b>			
Below 15,000 sf:	<i>1 Year</i>	Below 15,000 sf:	<i>.5 Year</i>
15,000 to 50,000:	<i>2 Years</i>	15,000 to 50,000:	<i>1 Year</i>
50,001 to 100,000:	<i>3 Years</i>	50,001 to 100,000:	<i>1.5 Years</i>
100,001 to 200,000:	<i>4 Years</i>	100,001 to 200,000:	<i>2 Years</i>
200,001 to 300,000:	<i>5 Years</i>	200,001 to 300,000:	<i>2.5 Years</i>
300,001 sf +:	<i>6 Years</i>	300,001 sf +:	<i>3 Years</i>
<b>HOTEL</b>			
2 to 10 Rooms:	<i>1 Year</i>	2 to 10 Rooms:	<i>.5 Year</i>
11 to 25 Rooms:	<i>2 Years</i>	11 to 25 Rooms:	<i>1 Year</i>
26 to 50 Rooms:	<i>3 Years</i>	26 to 50 Rooms:	<i>1.5 Years</i>
51 to 100 Rooms:	<i>4 Years</i>	51 to 100 Rooms:	<i>2 Years</i>
101 to 200 Rooms:	<i>5 Years</i>	101 to 200 Rooms:	<i>2.5 Years</i>
201 Rooms +:	<i>6 Years</i>	201 Rooms +:	<i>3 Years</i>
<b>INDUSTRIAL</b>			
Below 50,000 sf:	<i>1 Year</i>	Below 50,000 sf:	<i>.5 Year</i>
50,000 to 150,000:	<i>2 Years</i>	50,000 to 150,000:	<i>1 Year</i>
150,001 to 250,000:	<i>3 Years</i>	150,001 to 250,000:	<i>1.5 Years</i>
250,001 to 350,000:	<i>4 Years</i>	250,001 to 350,000:	<i>2 Years</i>
350,001 to 500,000:	<i>5 Years</i>	350,001 to 500,000:	<i>2.5 Years</i>
500,001 sf +:	<i>6 Years</i>	500,001 sf +:	<i>3 Years</i>
<b>PARKING STRUCTURES</b>			
200 to 300 cars:	<i>1 Year</i>	200 to 300 cars:	<i>.5 Year</i>
301 to 400 cars:	<i>2 Years</i>	301 to 400 cars:	<i>1 Year</i>
401 to 500 cars:	<i>3 Years</i>	401 to 500 cars:	<i>1.5 Years</i>
501 to 600 cars:	<i>4 Years</i>	501 to 600 cars:	<i>2 Years</i>
601 to 700 cars:	<i>5 Years</i>	601 to 700 cars:	<i>2.5 Years</i>
701 cars +:	<i>6 Years</i>	701 cars +:	<i>3 Years</i>

<b>RETAIL</b>			
15,000 to 20,000 sf:	4 Years	Below 5,000 sf:	.5 Year
20,001 to 30,000 sf:	5 Years	5,000 to 9,999 sf:	1 Year
30,001 sf + :	6 Years	10,000 to 14,999 sf:	1.5 Years
		15,000 to 20,000 sf:	2 Years
		20,001 to 30,000 sf:	2.5 Years
		30,001 sf + :	3 Years

<b>TOTAL PROJECT DEVELOPMENT COST</b>	
\$1 – 5 Million:	1 Year
\$5+ – 10 Million:	2 Years
\$10+ – 15 Million:	3 Years
\$15+ – 20 Million:	4 Years
\$20+ Million:	5 Years

**CCRFC Priorities**

<b>General Location</b>	
Located in CBID (Appendix II):	3 Years
Located outside CBID, but inside CCRFC boundaries (Appendix II):	1 Year

<b>Core &amp; Historic</b>	
<i>Project may only qualify for one of the following five:</i>	
Construction of a new structure in the Downtown Core:	1 Year
Renovation of an existing structure in the Downtown Core:	2 Years
Renovation of a structure listed as non-contributing property in a National Register or Landmarks Commission Historic District:	3 Years
Renovation of a structure listed as significant or contributing in a National Register or Memphis Landmarks Commission Historic District:	4 Years
Renovation of a structure listed individually on the National Register of Historic Places:	5 Years

<b>Community-based Initiatives &amp; Economically Distressed Areas</b>	
<i>Project may qualify for up to two of the following:</i>	
Fronting the Main to Main Multi-Modal Connector Route (Appendix II):	3 Years
Located within the boundaries of the Edge Neighborhood (Appendix II):	3 Years
Located within the boundaries of the South City Impact Area (Appendix II):	3 Years
Located within the boundaries of the Pinch Neighborhood (Appendix II):	4 Years
Located in a Census Tract with a Poverty Rate over 20 percent*	2 Years
Located in a Census Tract earning 80 or less of Area Median Income (AMI)*	2 Years

<b>Design &amp; Energy</b>	
<i>Project may qualify for one or more of the following:</i>	
Including permanent public art (qualification determined by the DMC Design Review Board):	1 Year
Including enhanced architectural lighting (qualification determined by the DMC Design Review Board):	1 Year
Leadership in Energy and Environmental Design (LEED) Certification:	4 Years

Net Zero Energy Building (NZE) Certification:	4 Years
Memphis Light, Gas and Water (MLGW) Energy Advantage Certification:	1 Years

\* Applicants may refer to the HUD map to confirm qualification; <https://www.huduser.gov/qct/qctmap.html>.

**PILOT TERM CALCULATION**

Primary Qualification:	6 Years
Secondary Qualification A:	
Secondary Qualification B:	
Secondary Qualification C:	
Total Project Development Cost:	5 Years
CCRFC Priorities:	10 Years
<b>PILOT TERM:</b>	<b>12 Years</b>

## Exhibit D – PILOT Basis

<b>PILOT Request</b>	
Requested PILOT Term (years)	12.0
Project Type	New Construction
Located in the CBID?	Yes
<b>Current Amounts</b>	
Base Appraisal	\$473,600
Base Assessment	\$189,440
Annual City Tax on Base Assessment	\$5,118
Annual County Tax on Base Assessment	\$6,422
<b>Annual RE Taxes on Base Assessment</b>	<b>\$11,540</b>
<b>Project Costs</b>	
Acquisition Cost	\$3,000,100
Hard Costs	\$15,324,114
Soft Costs	\$1,803,329
<b>Total Project Costs w/o PILOT fee</b>	<b>\$20,127,543</b>
<b>Hard Costs Investment Check - 76.1%</b>	<b>YES</b>
Public grants eligible for PILOT fee basis reduction	\$0
PILOT fee basis	\$20,127,543
<b>PILOT fee</b>	<b>\$301,913</b>
<b>Total Project Costs w/ PILOT fee</b>	<b>\$20,429,456</b>
<b>Valuation &amp; CBID Assessment</b>	
Base Appraisal	\$473,600
Percentage of Hard Costs	\$12,259,291
Estimated Appraisal after Improvements	\$12,732,891
<b>Estimated Assessment after Improvements</b>	<b>\$5,093,156</b>
<b>Estimated Annual CBID Assessment after Improvements</b>	<b>\$33,041</b>
<b>Annual RE Taxes</b>	
<i>Hypothetical annual taxes without PILOT*</i>	
Estimated Hypothetical Annual City Tax without PILOT*	\$137,599
Estimated Hypothetical Annual County Tax without PILOT*	\$172,658
<b>Estimated Hypothetical Total Annual Taxes without PILOT*</b>	<b>\$310,257</b>
<i>Estimated annual taxes with PILOT</i>	
Estimated Annual City Tax with PILOT	\$38,238
Estimated Annual County Tax with PILOT	\$47,981
<b>Estimated Total Annual Taxes with PILOT</b>	<b>\$86,219</b>
<b>Estimated Annual Benefit</b>	<b>\$224,038</b>
<b>Cumulative RE Taxes</b>	
<i>Hypothetical cumulative taxes without PILOT*</i>	
Estimated Hypothetical Cumulative City Tax without PILOT*	\$1,651,185
Estimated Hypothetical Cumulative County Tax without PILOT*	\$2,071,896
<b>Estimated Hypothetical Total Cumulative Taxes without PILOT*</b>	<b>\$3,723,081</b>
<i>Estimated cumulative taxes with PILOT</i>	
Estimated Cumulative City Tax with PILOT	\$458,858
Estimated Cumulative County Tax with PILOT	\$575,772
<b>Estimated Total Cumulative Taxes with PILOT</b>	<b>\$1,034,630</b>
<b>Estimated Cumulative Benefit over 12-Year PILOT</b>	<b>\$2,688,451</b>
<b>Estimated Cumulative Increase in Taxes due to PILOT</b>	<b>\$896,150</b>

*\*Staff has concluded that this project would not go forward without a PILOT. Hence, the "Estimated Hypothetical" amounts are fictional/moot numbers used to calculate the benefit of the PILOT to the project. The benefit figure does not represent lost tax revenue to the City or County. Without the PILOT, the property would remain unimproved and the tax assessment would continue to be based upon the unimproved value. With the PILOT, the amount listed above as "Estimated Cumulative Increase in Taxes due to PILOT" would be the approximate benefit over the PILOT term to the City and County from newly generated property tax revenue. That amount does not include any new sales taxes that will be generated by the construction and operation of the project. Furthermore, after the PILOT term has finished, it is expected that the annual taxes will be approximate to the amount listed as "Estimated Hypothetical Total Annual Taxes without PILOT".*

**Exhibit E - Proforma:**

University Lofts Memphis - Pro Forma	Stabalized Assumptions	Constr	Constr	Partial	Stabalized	Stabalized	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5							
<b>Revenue</b>													
Total Residential SQ Footage	44,415												
Total # of Units	105												
Vacancy Assumptions	7%			40%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Annual Growth							2%	2%	2%	2%	2%	2%	2%
Rental Revenue	1,701,000			1,701,000	1,701,000	1,701,000	1,735,020	1,769,720	1,805,115	1,841,217	1,878,041	1,915,602	1,953,914
Additional Income	126,198			126,198	126,198	126,198	128,722	131,296	133,922	136,601	139,333	142,119	144,962
Vacancy and Economic Losses	(121,100)			(730,879)	(127,904)	(127,904)	(130,462)	(133,071)	(135,733)	(138,447)	(141,216)	(144,041)	(146,921)
<b>Total Projected Revenue</b>	<b>1,706,098</b>			<b>1,706,098</b>	<b>1,706,098</b>	<b>1,706,098</b>	<b>1,733,280</b>	<b>1,767,946</b>	<b>1,803,305</b>	<b>1,839,371</b>	<b>1,876,158</b>	<b>1,913,681</b>	<b>1,951,955</b>
<b>Expenses</b>				Base Year/ Incr			2%	2%	2%	2%	2%	2%	2%
General Operations	70,250			70,250	70,250	71,655	73,088	74,550	76,041	77,562	79,113	80,695	82,309
Advertsing/Marketing	36,750			36,750	36,750	37,485	38,235	38,999	39,779	40,575	41,386	42,214	43,058
Legal/Accounting	21,000			21,000	21,000	21,420	21,848	22,285	22,731	23,186	23,649	24,122	24,605
Utilities	113,400			113,400	113,400	115,668	117,981	120,341	122,748	125,203	127,707	130,261	132,866
Maintenance	52,500			52,500	52,500	53,550	54,621	55,713	56,828	57,964	59,124	60,306	61,512
Insurance	49,500			49,500	49,500	50,490	51,500	52,530	53,580	54,652	55,745	56,860	57,997
Management Payroll	69,300			69,300	69,300	70,686	72,100	73,542	75,013	76,513	78,043	79,604	81,196
Management Fees	68,040			68,040	68,040	69,401	70,789	72,205	73,649	75,122	76,624	78,157	79,720
Taxes Without PILOT	343,298			343,298	343,298	350,164	357,167	364,311	371,597	379,029	386,609	394,341	402,228
<b>Total Projected Expenses</b>	<b>824,038</b>			<b>824,038</b>	<b>824,038</b>	<b>840,519</b>	<b>857,329</b>	<b>874,476</b>	<b>891,965</b>	<b>909,805</b>	<b>928,001</b>	<b>946,561</b>	<b>965,492</b>
<b>Net Operating Income No PILOT</b>	<b>882,060</b>			<b>882,060</b>	<b>882,060</b>	<b>865,579</b>	<b>875,951</b>	<b>893,470</b>	<b>911,339</b>	<b>929,566</b>	<b>948,157</b>	<b>967,121</b>	<b>986,463</b>
Total Cost	20,429,456				20,429,456	20,429,456	20,429,456	20,429,456	20,429,456	20,429,456	20,429,456	20,429,456	20,429,456
Yield On Cost	4.32%				4.32%	4.24%	4.29%	4.37%	4.46%	4.55%	4.64%	4.73%	4.83%
Total Debt Service	916,637				916,637	916,637	916,637	916,637	916,637	916,637	916,637	916,637	916,637
Debt Service Ratio	0.96				0.96	0.94	0.96	0.97	0.99	1.01	1.03	1.06	1.08
Net Cash Flow	(34,577)				(34,577)	(51,058)	(40,686)	(23,167)	(5,298)	12,929	31,520	50,484	69,826
Return on Equity	-0.86%				-0.86%	-1.28%	-1.02%	-0.58%	-0.13%	0.32%	0.79%	1.26%	1.75%
Taxes with PILOT	119,260				119,260	119,260	121,645	124,078	126,560	129,091	131,673	134,306	136,992
<b>Total Projected Expenses</b>	<b>600,000</b>				<b>600,000</b>	<b>609,615</b>	<b>621,807</b>	<b>634,243</b>	<b>646,928</b>	<b>659,867</b>	<b>673,064</b>	<b>686,525</b>	<b>700,256</b>
<b>NOI With 12 Yr PILOT</b>	<b>1,106,098</b>				<b>1,106,098</b>	<b>1,096,483</b>	<b>1,111,473</b>	<b>1,133,702</b>	<b>1,156,376</b>	<b>1,179,504</b>	<b>1,203,094</b>	<b>1,227,156</b>	<b>1,251,699</b>
Yield on Cost	5.41%				5.41%	5.37%	5.44%	5.55%	5.66%	5.77%	5.89%	6.01%	6.13%
Total Debt Service	916,637				916,637	916,637	916,637	916,637	916,637	916,637	916,637	916,637	916,637
Debt Service Ratio	1.21				1.21	1.20	1.21	1.24	1.26	1.29	1.31	1.34	1.37
Net Cash Flow	189,461				189,461	179,846	194,836	217,065	239,739	262,867	286,457	310,519	335,062
Return on Equity	4.74%				4.74%	4.50%	4.87%	5.43%	5.99%	6.57%	7.16%	7.76%	8.38%



**Exhibit F - Project Schedule**

- |    |                                  |                 |
|----|----------------------------------|-----------------|
| 1) | Concept Phase                    | 3/2022 – 9/2022 |
| 2) | Closed on property               | 5/2022          |
| 3) | PILOT Application                | 7/2022          |
| 4) | PILOT CCRFC Review               | 8/2022          |
| 5) | Demolition of Existing Buildings | 10/2022 – 12/22 |
| 6) | Bidding & Negotiating            | Q4 2022         |
| 7) | Commencement of Construction     | Q1 2023         |
| 8) | Construction Completion          | Q1 2025         |
| 9) | Full Occupancy Expected          | Q3 2026         |

**Exhibit G – University Lofts Portfolio**

**Downtown Jonesboro**



Jonesboro – Greensborough Village



Russellville



Conway

