



## APPLICATION

SUBMITTED TO:  
**MEMPHIS CENTER CITY REVENUE FINANCE CORPORATION**

FOR FINANCIAL INCENTIVES  
THROUGH THE  
**PAYMENT IN LIEU OF TAXES PROGRAM (PILOT)**  
FOR  
**NEW MIXED-REUSE DEVELOPMENT  
AT 757 COURT AVENUE  
MEMPHIS, TENNESSEE 38105**



SUBMITTED BY:  
**757 COURT, LLC**

**1. State the name, address, and telephone number 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.**

757 Court, LLC  
6060 Poplar Ave., Suite 400  
Memphis, TN 38119

Applicant Representative:  
Daniel Szymanek  
901.550.7544  
[Daniel@ViktorHall.com](mailto:Daniel@ViktorHall.com)

**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.**

The Applicant is 757 Court LLC, a Memphis-based limited liability company. Members of 757 Court, LLC are Daniel Szymanek, Jonathan Aur, Rob Mayer, and Scott Tashie. Each are Memphians and have a long history in the real estate industry in the Memphis area. Over the past 15+ years, we have been involved in various ventures around the city with regards to development, construction, leasing, fundraising, and retail/restaurant operations. As lifelong Memphians, the group recognized the need for housing in the Medical District and focused our work under the common goal of hoping to help fill this gap. The goals of this project reinforce the visions of both CCRFC and MMDC as well as the goals of the Memphis 3.0 Comprehensive Plan. We believe with our collective expertise, and the help that we continue to receive from the surrounding community leaders, that this project will have a positive impact on the area and continue the progress that has already started.

**3. Briefly describe the proposed Project.**

**Project Description:**

The proposed project is the development of a mixed-use project located at the northwest corner of Court Avenue and Manassas in the Medical District of Downtown Memphis. This location in the heart of Medical Center is a highly desirable area for living/working and a transformative development like that being proposed. The new use of the property includes upper-level residential units and ground floor retail space, which will help activate the currently vacant site.

The 3-story project consists of 49 residential units at an average of 500 square feet each, with approximately 1,800 leasable retail space for a potential new coffee shop. The property will have a large corner lobby, outdoor covered lounge, and a roof deck for residents.

This corner parcel is approximately 0.37 acres of land. The proposed site improvements include new surface parking, landscaping, new sidewalks, and streetscape enhancements. Parking includes 14 new off-street parking spaces as well as on-street parking along Court Avenue and on-site bike racks.

**a. Economic and Environmental Impact:** The recently completed environmental phase I did not indicate that the site had environmental contaminants. The project will raze and remove the vacant 1960's structure and activate the site with a new \$6.75M mixed-use building.

**b. The Square footage of the building/ land area:** The 5-story project consists of 49 residential units at an average of 500 square feet for a total leasable residential area of 24,500 square feet, with approximately 1,800 leasable retail space and 9,660 square feet of support space for a total building area just under 36,000 square feet. The property is a corner parcel of just over 16,000 square foot or approximately 0.37 acres of land.

**c. Attach architectural plans and renderings and any available history on the subject:** See the attached site plans, floor plans, building rendering, and architectural design principles.

**d. A letter from a certified engineer, licensed in the State of Tennessee, as to the structural integrity of the building for its intended usage:** The new structure will be design by a Tennessee licensed Structural Engineer who will seal the construction drawings prior to submission to the Shelby County Building & Code Enforcement Office.

**4. State the marketing plans for the project identifying the intended market. What types of lessees are anticipated? If the project is speculative, how long is full occupancy expected to take and who will manage the project?**

This location in the heart of Medical Center makes this site a highly desirable area for living and working. The project is supported by the Medical District master plan as well as the Memphis Medical District Collaborative and the Victorian Village, Inc. Upon completion of construction, we anticipate reaching 50% occupancy the first full year and reaching 95% occupancy the next year and going forward. Leasing and property management will be handled by Lexington Asset Management, who specializes in multi-family residential property management.

**5. Property Location**

**a. State the location of the proposed property by street address and legal description.**

757 Court Avenue, Memphis, Tennessee 38105, at the northwest corner of Court Avenue and Manassas. (See Site Plan for location map.)

**PROPERTY LEGAL DESCRIPTION**

Disposition Parcel 1, Block 18, Memphis Medical Center Area as shown on plat of record in Plat Book 27, Page 32 in the Register's Office, Shelby County, Tennessee, and more particularly described as follows: Beginning at a point in the west line of North Manassas Street 20.02 feet southwardly from the P.I. of the curve at the southwest corner of North Manassas Street (80 feet wide) and Court Avenue (66 feet wide) and running thence with the west line of North Manassas Street on a bearing of south 09 degrees 21 minutes west a distance of 131.08 feet to a point; thence north 70 degrees 01 minutes west a distance of 148.53 feet to a point in the south line of Court Avenue; thence north 19 degrees 59 minutes east a distance of 148.5 feet to a point in the south line of Court Avenue; thence the south line of Court Avenue on a bearing of south 70 degrees 01 minutes east a distance of 100.63 feet to the beginning of a curve; thence by a curve to the right whose radius is 25.0 feet a distance of 34.63 feet as measured along the arc of said curve to the end of the curve in the west line of North Manassas Street, said point being the point of beginning, and containing 16,112 square feet or 0.37 acres, more or less.

**b. Name the property Owner at the time of the application submittal:** The Property is currently held in the name of Tennessee Baptist Church ETAL. The property is in the due diligence stage for acquisition by 757 Court, LLC.

**c. If the Applicant does not presently own the property, does the Applicant have a valid option to purchase the property?** The property is under contract to purchase and in the final due diligence stage.

**d. Describe any and all existing financing, options, and liens on the property:**  
757 Court, LLC will have a \$400,000 mortgage on the property to cover the property purchase price. Bank financing will provide funding to get started on the improvements and will be obtaining financing as the project continues.

**6. 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 amounts.**

See the attached project construction estimate.

**7. Are changes needed to the public space around the Project (For example; sidewalks, lighting and planting)?**

The property will have a corner lobby and a large outdoor covered lounge courtyard with seating. The proposed site improvements include new surface parking, landscaping, new sidewalks, and streetscape enhancements. Parking includes 14 new off-street parking spaces as well as on-street parking along Court Avenue and on-site bike racks.

**8. State the proposed time schedule for the Project including the dates anticipated for the following:**

**a. Closing of the loan or contributing financing availability:** Loan Closing and project capitalization is expected in early 2022 after approval of the Planned Development and PILOT application.

**b. First Expenditure of funds with regard to the project:** In 2021 the design team was retained to being conceptual designs for the property. Architecture, engineering, marketing, and financial consultants have been retained and funds expended for their services.

**c. Anticipated date Construction will begin:** February, 2022

**d. Anticipated Completion Date:** March, 2023

**9. Financial Background**

**a. Attach current audited financial statements of the applicant and guarantors. If audited financial statements are unavailable, please submit non-audited statements.**

Applicable financial information including (i) latest bank statement available, and (ii) a Line of Credit statement showing applicants ability on this project will be forwarded under separate "confidential" cover and reviewed with the appropriate CCRFC staff.

**b. State the relationship any applicant or grantor has had with any accounting firm over the last five years and reason for change, if any.**

We are utilizing Evans Petree at 1715 Aaron Brenner Dr., Suite 800, Memphis TN 38120, as our accounting firm.

**c. Attach three years tax returns if Applicant is an individual.** N/A

**10. Name any of the following that will be involved with the Project (with address and phone numbers):**

**a. Counsel for Applicant**

Evans Petree, PC, 6060 Poplar Ave., Suite 400 Memphis, TN 38119 t: 901.521.4561

**b. Architect**

BRG3s, Architects, 396 N Cleveland Street. Memphis, Tennessee 38104 t: 901.260.9600

**c. Engineers**

Civil Engineer: TBD

Mechanical & Plumbing Engineer: TBD

Electrical Engineer: TBD

**d. Other Professionals:**

The Development Studio, LLC, 1910 Madison Avenue #83 Memphis, TN 38104  
(901) 206-5115

**e. Does the Applicant or any guarantor have any previous or ongoing relationship with any Board member or legal counsel of the Board? If so please describe in detail.** There are no previous or ongoing relationships that the applicant is aware of.

**11. Give three credit references for you personally and for your business.**

1. Cory Porta, Simmons Bank  
5384 Poplar Ave., Suite 200 Memphis, TN 38119  
t: 901.249.2010  
[corey.porta@simmonsbank.com](mailto:corey.porta@simmonsbank.com)

2. Deron Wisdom, Guaranty Bank & Trust Company  
464 North Front St. Memphis, TN 38105  
t: 901.202.0311  
[deron.wisdom@gbtonline.com](mailto:deron.wisdom@gbtonline.com)

3. Andrea Gladney, Commercial Bank and Trust  
510 South Mendenhall Rd. Memphis, TN 38117  
t: 901.888.2265  
[agladney@cbctnet.com](mailto:agladney@cbctnet.com)

**12. Please disclose whether any applicant, guarantor or any other person involved with the project is currently engaged in any civil or criminal proceeding. Also disclose whether any individual involved with the project has ever been charged or convicted of any felony or currently is under indictment. Please supply detailed information.**

NO

**13. 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.**

Project Lessee:

757 Court, LLC  
Evans Petree, PLC  
6060 Poplar Ave., Suite 400 Memphis, TN 38119

Representative:  
Harley Steffens  
901.521.4561  
[hsteffens@evenspetree.com](mailto:hsteffens@evenspetree.com)

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

Site Addresses & Parcel #s	Acres	2020 Appraisal
757 Court Avenue, 023017 00006	<u>0.37</u>	<u>\$21,100</u>

**b. Are any assessments presently under appeal? If so, describe the status of the appeal.**  
No

**c. Will the Project result in the subdivision of any present tax parcel?**  
The tax parcel will need not be subdivided.

**14. Provide the following information about the loan or proposed loan for the Project.**

**a. Name Address, and Phone number of lender and contact person with lender:**  
Negotiations are underway with potential lenders to finance the proposed project.

**b. Amount of Loan:** Approximately \$6.2 Million

**c. Attach lender's commitment letter:** See attachment

**15. Attach two (2) cash flow proformas – one that includes a PILOT and one that does not – for at least the length of the PILOT term requested, along with a statement of Sources and Uses of Funds for the project (this may be prepared by the applicant). Sample formats are attached.**

Please see the attached project cash flow spreadsheets. In response to a request to analyze the financial viability of shorter PILOT term, we created a cash flow based on a 10-year PILOT term, which does not meet the required average debt coverage ratio to finance the project.

1. Cash Flow with 15-year PILOT term
2. Cash Flow with 10-year PILOT term
3. Cash Flow with no PILOT

**16. Attach information about the financial history of the project and previous attempts to develop, if possible. N/A**

**17. Attach EBO FORM A – Proposed Utilization Plan. Form is located as an attachment in this section.**

The developer will comply with the requirements of the Equal Business Opportunity Program. We are committed to diversity in contracting and will work diligently to ensure that maximum EBO participation is achieved on this project including:

- Researching and identifying trade specific EBO subcontractors, including input from local, state, and federal resources.
- Marketing and outreach to encourage EBO interest, including written notice and pre-bid meeting opportunities.
- Inviting qualified EBO subcontractors to provide competitive bids.
- Working with the DMC and applicable minority-owned business support organizations including but not limited to Mid-South Minority Business Council, Memphis Hispanic Chamber of Commerce, and National Association of Women Business Owners.
- Once design/bidding/construction commences the developer shall provide written documentation of the status of the utilization plan.

**18. The following statement must be included along with a dated signature of the applicant or applicant's representatives. 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 shall also be required to show a good faith effort with regard to the employment of minority 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.**

**Applicant Signature**



**Date**

**10/19/2021**

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## **Appendix**

- I. Equal Business Opportunity Program and Best-Faith Effort to Attain Minority-Owned Business Participation
- II. EBO Form A - Proposed Utilization Plan
- III. Project Financials: Cash flow pro-forma along with a statement of sources and uses of funds for the project
- IV. Developer Team's Biography
- V. Letter of Support from Memphis Medical District Collaborative (MMDC)
- VI. Bank Letter from potential lender
- VII. Architectural Schematic Drawings

## **Equal Business Opportunity Program and Best-Faith Effort to Attain Minority-Owned Business Participation**

As further detailed in the Center City Affiliated Boards Equal Business Opportunity (EBO) Program, Section 10, the applicant must give minority-owned businesses (W/MBEs) an equal and fair opportunity to receive notice, to bid on, and be considered for selection for all contracting opportunities associated with the professional and construction services in the design and renovation/construction of the project. Applicants are required to take affirmative steps to ensure an open and fair contracting process. While there are no mandated quotas, results achieved may evidence whether a fair process was employed. Applicants shall make a best-faith effort to allot, as a goal, no less than 20% of the professional and construction services to W/MBEs in the design and renovation/construction of the project. Commensurate with the size and scope of the project, specific steps that may be indicative of a best-faith effort to identify and contract with W/MBEs include but are not limited to the following: notice to W/MBEs, soliciting bids/quotes directly from W/MBEs, providing constructive notice, utilizing plan rooms, utilizing the CCC for assistance (W/MBE lists and Project Alerts), and working with applicable minority-owned business support organizations (e.g., Mid-South Minority Business Council, Memphis Hispanic Chamber of Commerce, National Association of Women Business Owners, etc.) **To ensure that the EBO requirements are clearly understood, and antecedent to meeting the goals set forth in the EBO Program, all utilization plans must be coordinated with the CCC staff and submitted with the application.**

In accordance with the EBO Program, once the incentive application is approved and design/construction commences, the applicant shall provide written documentation of the status of the utilization plan (which shall include any and all changes or modifications) and the applicable amounts spent (or value of the work completed), on a monthly basis.

**If the requirements of the EBO Program are not met, the CCRFC (the applicable affiliate board) reserves the right to revoke and cancel the incentive.**

**Equal Business Opportunity Program  
 Proposed Utilization Plan**

Bidder/Proposer/Developer: 757 Court, LLC	Date Submitted: October, 2021
Project Address/Description: 757 Court Avenue, Memphis Tennessee 38105	Contact Person: Daniel Szymanek

The above-named company requested bids for the general construction services of the following listed firms.

Name/Address/Telephone	Ownership Status	Certifying Agency	Type of Work	Subcontract Dollars	Subcontract Percentage
	MBE		GC	\$ TBD	%
	WOB		Sub-Contractor	\$ TBD	%
	MBE		Sub-Contractor	\$ TBD	%
	MBE		Sub-Contractor	\$ TBD	%
				<b>Total MBE:</b>	\$ %
				<b>Total WBE:</b>	\$ %
				<b>Total White:</b>	\$ %
				<b>Total Other:</b>	\$ %

<b>Business Ownership Status</b> Minority Owned – MBE Women Owned – WBE White Owned – WOB Other – Non-certified MBE/WBE
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I certify that the above information is true to the best of my knowledge:

Signature	Title	Owner / Principal	Date: January , 2022
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PRIMARY QUALIFICATION		SECONDARY QUALIFICATION	
RESIDENTIAL		RESIDENTIAL	
2 to 5 Units:	1 Year	2 to 5 Units:	.5 Year
6 to 10 Units:	2 Years	6 to 10 Units:	1 Year
11 to 15 Units:	3 Years	11 to 15 Units:	1.5 Years
16 to 25 Units:	4 Years	16 to 25 Units:	2 Years
26 to 50 Units:	5 Years	26 to 50 Units:	2.5 Years
51 Units +:	6 Years	51 + Units:	3 Years

OFFICE		OFFICE	
Below 15,000 sf:	1 Year	Below 15,000 sf:	.5 Year
15,000 to 50,000:	2 Years	15,000 to 50,000:	1 Year
50,001 to 100,000:	3 Years	50,001 to 100,000:	1.5 Years
100,001 to 200,000:	4 Years	100,001 to 200,000:	2 Years
200,001 to 300,000:	5 Years	200,001 to 300,000:	2.5 Years
300,001 sf +:	6 Years	300,001 sf +:	3 Years

RETAIL		RETAIL	
Below 15,000 sf:	1 Year	Below 15,000 sf:	.5 Year
15,000 to 50,000:	2 Years	15,000 to 50,000:	1 Year
50,001 to 100,000:	3 Years	50,001 to 100,000:	1.5 Years
100,001 to 200,000:	4 Years	100,001 to 200,000:	2 Years
200,001 to 300,000:	5 Years	200,001 to 300,000:	2.5 Years
300,001 sf +:	6 Years	300,001 sf +:	3 Years

### CAPITAL IMPROVEMENT

\$1 – 5 Million:	1 Year
\$5+ – 10 Million:	2 Years
\$10+ – 15 Million:	3 Years
\$15+ – 20 Million:	4 Years
\$20+ Million:	5 Years

If scoring for the project is below 15 years, applicable accumulation based on CCRFC priority initiatives can be earned to bring the project up to a maximum of 15 years.

### CCRFC Priorities

#### General Location:

Project may qualify for one or more of the following:

Located in CBID (Appendix II):	3 Years
Located outside CBID, but inside CCRFC boundaries (Appendix II):	1 Year

#### Core & Historic

Project may only qualify for one of the following five:

Construction of a new structure in the Downtown Core:	1 Year
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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

**Community-based Initiatives & Economically Distressed Areas**

*Project may qualify for up to two of the following:*

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

**Design & Energy**

*Project may qualify for one or more of the following:*

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) program either/or NZEB...	4 Years
Net Zero Energy Building (NZEB) Certification:	4 Years
Memphis Light, Gas and Water (MLGW) Energy Advantage Certification:	1 Year

**PILOT TERM CALCULATION**

Primary Qualification:	5
Secondary Qual. A:	.5
Secondary Qual. B:	
Secondary Qual. C:	
Capital Improvement:	2
Additional Accum.:	8
PILOT TERM:	15.5

PILOT Basis Sheet

<b>PILOT Request</b>	
Requested PILOT Term (years)	10.0
Project Type	New Construction
Located in the CBID?	Yes
<b>Current Amounts</b>	
Base Appraisal	\$21,100
Base Assessment	\$8,440
Annual City Tax on Base Assessment	\$229
Annual County Tax on Base Assessment	\$304
<b>Annual RE Taxes on Base Assessment</b>	<b>\$533</b>
<b>Project Costs</b>	
Acquisition Cost	\$450,000
Hard Costs	\$6,512,000
Soft Costs	\$255,000
<b>Total Project Costs w/o PILOT fee</b>	<b>\$7,217,000</b>
<b>Hard Costs Investment Check - 90.2%</b>	<b>YES</b>
Public grants eligible for PILOT fee basis reduction	\$0
PILOT fee basis	\$7,217,000
<b>PILOT fee</b>	<b>\$72,170</b>
<b>Total Project Costs w/ PILOT fee</b>	<b>\$7,289,170</b>
<b>Valuation &amp; CBID Assessment</b>	
Base Appraisal	\$21,100
Percentage of Hard Costs	\$5,209,600
Estimated Appraisal after Improvements	\$5,230,700
<b>Estimated Assessment after Improvements</b>	<b>\$2,092,280</b>
<b>Estimated Annual CBID Assessment after Improvements</b>	<b>\$13,535</b>
<b>Annual RE Taxes</b>	
<i>Hypothetical annual taxes without PILOT*</i>	
Estimated Hypothetical Annual City Tax without PILOT*	\$56,765
Estimated Hypothetical Annual County Tax without PILOT*	\$75,322
<b>Estimated Hypothetical Total Annual Taxes without PILOT*</b>	<b>\$132,087</b>
<i>Estimated annual taxes with PILOT</i>	
Estimated Annual City Tax with PILOT	\$14,363
Estimated Annual County Tax with PILOT	\$19,058
<b>Estimated Total Annual Taxes with PILOT</b>	<b>\$33,421</b>
<b>Estimated Annual Benefit</b>	<b>\$98,665</b>
<b>Cumulative RE Taxes</b>	
<i>Hypothetical cumulative taxes without PILOT*</i>	
Estimated Hypothetical Cumulative City Tax without PILOT*	\$567,646
Estimated Hypothetical Cumulative County Tax without PILOT*	\$753,221
<b>Estimated Hypothetical Total Cumulative Taxes without PILOT*</b>	<b>\$1,320,867</b>
<i>Estimated cumulative taxes with PILOT</i>	
Estimated Cumulative City Tax with PILOT	\$143,629
Estimated Cumulative County Tax with PILOT	\$190,584
<b>Estimated Total Cumulative Taxes with PILOT</b>	<b>\$334,213</b>
<b>Estimated Cumulative Benefit over 10-Year PILOT</b>	<b>\$986,654</b>
<b>Estimated Cumulative Increase in Taxes due to PILOT</b>	<b>\$328,885</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".*

**FACILITY  
PROGRAM**

**Program**

<b>New Construction</b>	<b>Units</b>	<b>Square Footage</b>	<b>Totals</b>
Commercial Space	1	1,800	1,800
Residential Flats	49	500 sf. average	24,500
Lobby & Circulation ( 26.8%)	1	9,660	<u>9,660</u>
<b>Total Gross Square Footage</b>			<b>35,960</b>
<b>Roof Deck &amp; Covered Patio Area</b>		4,800	

**Total Commercial Lease Space** **1,700**

**Residential Lease Space**

Apartment Type 1	500 s.f. x 49 units	<b>24,500</b>
Apartment Type 2	<u>700 s.f. x 0 units</u>	<u>-</u>
<b>Total Net Square Footage Apts</b>		<b>26,200</b>

**Site Improvements** Acres 0.37  
(Demo, Parking Lot, Landscape, Streetscape)

**Construction Budget**

Building Construction	\$ 4,600,000
Mechanical/HVAC	\$ 432,000
Plumbing/Sprinkler System	\$ 467,000
Electrical Systems	\$ 503,000
Sitework Improvements, Demo, & Utilities	\$ 200,000
<b>5% Contingency</b>	<b>\$ 310,000</b>

**Total Construction Budget** **\$ 6,512,000**

Construction Cost per s.f. Diffence \$ 170

**PROJECT  
SOURCES AND USES**

**Sources**

Debt - Average 4.0% 25 yr amortization	\$ 6,189,170
Owner Equity	\$ 1,100,000
Other Sources	\$ -
	<u>\$ 7,289,170</u>

**Uses**

Property Purchase	\$ 450,000	
Hard Construction Costs	\$ 6,512,000	
<b><u>Soft Costs w/o PILOT Fee</u></b>		\$ 255,000
Professional Fees	\$ 190,000	
Permits & Testing	\$ 35,000	
Bank Fees	\$ 30,000	
PILOT Closing Fee	\$ 72,170	
	<u>\$ 7,289,170</u>	



**DEBT SERVICE  
25 YEAR  
AMORTIZATION SCHEDULE**

Rate 4.000%                              **Payment:** \$396,180.92  
**Borrower:**  
**Loan:** 6,189,170.00

<b>Pymt No.</b>	<b>Date</b>	<b>Balance</b>	<b>Scheduled Payment</b>	<b>Interest</b>	<b>Principal</b>	<b>Payoff Balance</b>
1	01/01/23	365	6,189,170.00	\$396,180.92	247,566.80	148,614.12
2	01/01/24	365	6,040,555.88	396,180.92	241,622.24	154,558.68
3	12/31/24	365	5,885,997.20	396,180.92	235,439.89	160,741.03
4	12/31/25	366	5,725,256.17	396,180.92	229,010.25	167,170.67
5	01/01/27	365	5,558,085.50	396,180.92	222,323.42	173,857.50
6	01/01/28	365	5,384,228.00	396,180.92	215,369.12	180,811.80
7	12/31/28	365	5,203,416.20	396,180.92	208,136.65	188,044.27
8	12/31/29	365	5,015,371.93	396,180.92	200,614.88	195,566.04
9	12/31/30	365	4,819,805.89	396,180.92	192,792.24	203,388.68
10	12/31/31	365	4,616,417.21	396,180.92	184,656.69	211,524.23
11	12/30/32	365	4,404,892.98	396,180.92	176,195.72	219,985.20
12	12/30/33	365	4,184,907.78	396,180.92	167,396.31	228,784.61
13	12/30/34	365	3,956,123.17	396,180.92	158,244.93	237,935.99
14	12/30/35	365	3,718,187.18	396,180.92	148,727.49	247,453.43
15	12/29/36	365	3,470,733.75	396,180.92	138,829.35	257,351.57
16	12/29/37	365	3,213,382.18	396,180.92	128,535.29	267,645.63
17	12/29/38	365	2,945,736.55	396,180.92	117,829.46	278,351.46
18	12/29/39	365	2,667,385.09	396,180.92	106,695.40	289,485.52
19	12/28/40	365	2,377,899.57	396,180.92	95,115.98	301,064.94
20	12/28/41	365	2,076,834.63	396,180.92	83,073.39	313,107.53
21	12/28/42	366	1,763,727.10	396,180.92	70,549.08	325,631.84
22	12/29/43	367	1,438,095.26	396,180.92	57,523.81	338,657.11
23	12/30/44	368	1,099,438.15	396,180.92	43,977.53	352,203.39
24	01/02/46	369	747,234.76	396,180.92	29,889.39	366,291.53
25	01/06/47	370	380,943.23	396,180.92	15,237.73	380,943.19

### CASH FLOW STATEMENT With 10-Year PILOT

	Year One	Year Two	Year Three	Year Four	Year Five	Year Six	Year Seven	Year Eight
Lease Revenue								
Commercial Space	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Occupancy Rate	0%	50%	95%	95%	95%	95%	95%	95%
Revenue per sf.	\$ 21.00	\$ 21.42	\$ 21.85	\$ 22.29	\$ 22.73	\$ 23.19	\$ 23.65	\$ 24.12
Commercial Revenue	\$ -	\$ 19,278	\$ 37,361	\$ 38,108	\$ 38,870	\$ 39,648	\$ 40,440	\$ 41,249
Residential Flats	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500
Occupancy Rate	0%	50%	95%	95%	95%	95%	95%	95%
Revenue per sf.	\$ 2.25	\$ 2.30	\$ 2.34	\$ 2.39	\$ 2.44	\$ 2.48	\$ 2.53	\$ 2.58
Residential Revenue	\$ -	\$ 337,365	\$ 653,813	\$ 666,890	\$ 680,227	\$ 693,832	\$ 707,709	\$ 721,863
<b>Total Lease Revenue</b>	<b>\$ -</b>	<b>\$ 356,643</b>	<b>\$ 691,174</b>	<b>\$ 704,998</b>	<b>\$ 719,098</b>	<b>\$ 733,480</b>	<b>\$ 748,149</b>	<b>\$ 763,112</b>
Operating Expense								
Utilities	-	17,832	34,559	35,250	35,955	36,674	37,407	38,156
Real Estate Taxes	-	46,956	47,426	47,900	48,379	48,863	49,351	49,845
Property Insurance	6,000	21,868	22,305	22,751	23,206	23,670	24,143	24,626
Service Maint.& Clean'g	-	35,664	69,117	70,500	71,910	73,348	74,815	76,311
Marketing	2,000	10,000	10,050	10,100	10,151	10,202	10,253	10,304
* Property Management	-	24,965	48,382	49,350	50,337	51,344	52,370	53,418
<b>Total Expenses</b>	<b>8,000</b>	<b>157,285</b>	<b>231,839</b>	<b>235,851</b>	<b>239,937</b>	<b>244,100</b>	<b>248,340</b>	<b>252,660</b>
<b>Net Operating Income</b>	<b>(8,000)</b>	<b>199,358</b>	<b>459,335</b>	<b>469,147</b>	<b>479,160</b>	<b>489,380</b>	<b>499,809</b>	<b>510,452</b>
Debt Service								
Principal	74,307	154,559	160,741	167,171	173,858	180,812	188,044	195,566
Interest	123,783	241,622	235,440	229,010	222,323	215,369	208,137	200,615
	198,090	396,181	396,181	396,181	396,181	396,181	396,181	396,181
<b>Net Cash Flow</b>	<b>\$ (206,090)</b>	<b>\$ (196,823)</b>	<b>\$ 63,154</b>	<b>\$ 72,966</b>	<b>\$ 82,980</b>	<b>\$ 93,199</b>	<b>\$ 103,628</b>	<b>\$ 114,272</b>
Debit Coverage Ratio (DCR)	-	0.50	1.16	1.18	1.21	1.24	1.26	1.29
Return on Equity (ROE)	-19%	-18%	6%	7%	8%	8%	9%	10%
Return on Investment (ROI)	-3%	-3%	1%	1%	1%	1%	1%	2%



## CASH FLOW STATEMENT Without PILOT

	Year One	Year Two	Year Three	Year Four	Year Five	Year Six	Year Seven	Year Eight
Lease Revenue								
Commercial Space	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Occupancy Rate	0%	50%	95%	95%	95%	95%	95%	95%
Revenue per sf.	\$ 21.00	\$ 21.42	\$ 21.85	\$ 22.29	\$ 22.73	\$ 23.19	\$ 23.65	\$ 24.12
Commercial Revenue	\$ -	\$ 19,278	\$ 37,361	\$ 38,108	\$ 38,870	\$ 39,648	\$ 40,440	\$ 41,249
Residential Flats	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500
Occupancy Rate	0%	50%	95%	95%	95%	95%	95%	95%
Revenue per sf.	\$ 2.25	\$ 2.30	\$ 2.34	\$ 2.39	\$ 2.44	\$ 2.48	\$ 2.53	\$ 2.58
Residential Revenue	\$ -	\$ 337,365	\$ 653,813	\$ 666,890	\$ 680,227	\$ 693,832	\$ 707,709	\$ 721,863
Total Lease Revenue	\$ -	\$ 356,643	\$ 691,174	\$ 704,998	\$ 719,098	\$ 733,480	\$ 748,149	\$ 763,112
Operating Expense								
Utilities	-	17,832	34,559	35,250	35,955	36,674	37,407	38,156
Real Estate Taxes	-	145,621	147,078	148,548	150,034	151,534	153,050	154,580
Property Insurance	6,000	21,868	22,305	22,751	23,206	23,670	24,143	24,626
Service Maint.& Clean'g	-	35,664	69,117	70,500	71,910	73,348	74,815	76,311
Marketing	2,000	10,000	10,050	10,100	10,151	10,202	10,253	10,304
* Property Management	-	24,965	48,382	49,350	50,337	51,344	52,370	53,418
Total Expenses	8,000	255,950	331,491	336,499	341,592	346,771	352,038	357,395
Net Operating Income	(8,000)	100,693	359,683	368,498	377,505	386,708	396,111	405,717
Debt Service								
Principal	74,307	154,559	160,741	167,171	173,858	180,812	188,044	195,566
Interest	123,783	241,622	235,440	229,010	222,323	215,369	208,137	200,615
	198,090	396,181	396,181	396,181	396,181	396,181	396,181	396,181
Net Cash Flow	\$ (206,090)	\$ (295,488)	\$ (36,498)	\$ (27,682)	\$ (18,676)	\$ (9,473)	\$ (70)	\$ 9,536
Debit Coverage Ratio (DCR)	-	0.25	0.91	0.93	0.95	0.98	1.00	1.02
Return on Equity (ROE)	-19%	-27%	-3%	-3%	-2%	-1%	0%	1%
Return on Investment (ROI)	-3%	-4%	-1%	0%	0%	0%	0%	0%

## CASH FLOW STATEMENT Without PILOT

	Year Nine	Year Ten	Year Eleven	Year Twelve	Year Thirteen	Year Fourteen	Year Fifteen	
Lease Revenue								
Commercial Space	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Occupancy Rate	95%	95%	95%	95%	95%	95%	95%	95%
Revenue per sf.	\$ 24.60	\$ 25.10	\$ 25.60	\$ 26.11	\$ 26.63	\$ 27.17	\$ 27.71	
Commercial Revenue	\$ 42,074	\$ 42,916	\$ 43,774	\$ 44,650	\$ 45,543	\$ 46,453	\$ 47,382	
Residential Flats	24,500	24,500	24,500	24,500	24,500	24,500	24,500	24,500
Occupancy Rate	95%	95%	95%	95%	95%	95%	95%	95%
Revenue per sf.	\$ 2.64	\$ 2.69	\$ 2.74	\$ 2.80	\$ 2.85	\$ 2.91	\$ 2.97	
Residential Revenue	\$ 736,300	\$ 751,026	\$ 766,047	\$ 781,367	\$ 796,995	\$ 812,935	\$ 829,193	
<b>Total Lease Revenue</b>	<b>\$ 778,374</b>	<b>\$ 793,942</b>	<b>\$ 809,821</b>	<b>\$ 826,017</b>	<b>\$ 842,537</b>	<b>\$ 859,388</b>	<b>\$ 876,576</b>	
Operating Expense								
Utilities	38,919	39,697	40,491	41,301	42,127	42,969	43,829	
Real Estate Taxes	156,126	157,687	159,264	160,857	162,465	164,090	165,731	
Property Insurance	25,119	25,621	26,134	26,656	27,190	27,733	28,288	
Service Maint.& Clean'g	77,837	79,394	80,982	82,602	84,254	85,939	87,658	
Marketing	10,355	10,407	10,459	10,511	10,564	10,617	10,670	
* Property Management	54,486	55,576	56,687	57,821	58,978	60,157	61,360	
<b>Total Expenses</b>	<b>362,842</b>	<b>368,383</b>	<b>374,017</b>	<b>379,748</b>	<b>385,577</b>	<b>391,505</b>	<b>397,535</b>	
<b>Net Operating Income</b>	<b>415,532</b>	<b>425,559</b>	<b>435,803</b>	<b>446,269</b>	<b>456,960</b>	<b>467,883</b>	<b>479,041</b>	
Debt Service								
Principal	203,389	211,524	219,985	228,785	237,936	247,453	257,352	
Interest	192,792	184,657	176,196	167,396	158,245	148,727	138,829	
	396,181	396,181	396,181	396,181	396,181	396,181	396,181	
<b>Net Cash Flow</b>	<b>\$ 19,351</b>	<b>\$ 29,378</b>	<b>\$ 39,622</b>	<b>\$ 50,088</b>	<b>\$ 60,780</b>	<b>\$ 71,702</b>	<b>\$ 82,860</b>	<b>Average</b>
Debit Coverage Ratio (DCR)	1.05	1.07	1.10	1.13	1.15	1.18	1.21	0.9956
Return on Equity (ROE)	2%	3%	4%	5%	6%	7%	8%	-1%
Return on Investment (ROI)	0%	0%	1%	1%	1%	1%	1%	0%

# 757 COURT

DEVELOPMENT TEAM

## JONATHAN AUR

Boyle Investment Co.

Jonathan is at Boyle Investment Company and is primarily responsible for the property development, acquisitions, leasing, sales and management of their retail real estate portfolio throughout the Memphis MSA, as well as numerous third-party portfolios. He has been involved in a wide variety of projects such as Williamsburg Village, Schilling Farms, Regalia, and many more. He began his career at Cushman & Wakefield in San Antonio, TX, where he focused on acquisition, disposition, and development strategies for multifamily investors throughout San Antonio and South Texas. In 2020 Jonathan was named a Young Memphis Honoree by the Greater Memphis Chamber. He graduated with honors from the University of the Incarnate Word in San Antonio, TX, where he received his Bachelor of Business Administration. Jonathan is also a partner in numerous real estate investments throughout the area.

## DANIEL SZYMANEK

ViktorHall Construction

Daniel is a lifelong Memphian and has worked in the construction industry for the past 9 years. He is currently a Vice President at ViktorHall Construction, where he has overseen multiple single and multi-family construction projects. Prior to ViktorHall, Daniel worked in investment banking at Morgan Keegan and Wunderlich Securities, gaining experience with real estate analysis both in the private and public equity markets. Daniel has also invested in and actively managed single-family and multi-family properties in Memphis since 2015. He graduated from Christian Brothers University with a BSBA in Finance.

## SCOTT TASHIE

City Silo Table + Pantry

Scott was born and raised in Memphis, TN. Scott grew up in the restaurant, hospitality, and real estate industries. After graduating high school from Memphis University School, he went on to University of Denver where he captained the golf team and majored in Real Estate and Construction Management with a Minor in Economics. After college, he played professional golf for three years before injuries curtailed his career and launched him into restaurants and real estate. He owns and operates City Silo Table and Pantry which he started in 2016 and now has multiple locations, along with other concepts. Scott is an investor in numerous residential and commercial developments throughout the Mid South.

## ROB MAYER, CFA

Stifel Nicolaus

Rob is a 5th generation Memphian and has worked in the financial services industry for over 16 years. He is currently a wealth advisor with Stifel Nicolaus where he focuses on financial planning and active investment management. Prior to wealth management, Rob worked in investment banking at Morgan Keegan gaining private and public equity market experience, including \$1.4 billion of REIT secondary and initial public offerings. He graduated with honors from Washington University in St. Louis with a BSBA in Finance. Rob has invested in and actively managed single-family and multi-family properties in Memphis since 2013.



# MEMPHIS MEDICAL DISTRICT

COLLABORATIVE

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President, Edge Neighborhood  
Association

**MR. RICHARD SHADYAC JR.**

President & CEO, ALSAC

Tuesday, October 19, 2021

Re: 757 Court

To Whom It May Concern:

The Memphis Medical District Collaborative (MMDC) is a non-profit community development organization dedicated to making the Memphis Medical District (the "District") more vibrant, prosperous and equitable. Our organization's priorities are focused around improving public life, strengthening commercial corridors, increasing the housing supply and generating community wealth for the more than 40,000 employees, students, and residents in the District.

One of the main drivers of our real estate program area is to increase the housing supply of the District. By supporting projects that deliver density to the District, we hope to encourage a robust housing supply that can accommodate the needs of current District residents as well as provide accommodation for the over 95% of employees and students who work and study within the area but live outside of the District.

MMDC has been in contact with the project team behind the proposed development at 757 Court Ave since its inception. MMDC has supported the project through technical assistance as well as a \$5000 pre-development grant to help offset the cost of architectural renderings and proforma modeling. MMDC has further engaged the development team in discussions about the highest and best use of the space and the plans to actively program the development.

The development of 757 Court would be a welcome addition to the Medical District as it continues to grow into a vibrant, equitable and prosperous community.

Sincerely,

Ben Schulman, Director of Real Estate

757 COURT AVENUE FIT STUDY

757 COURT

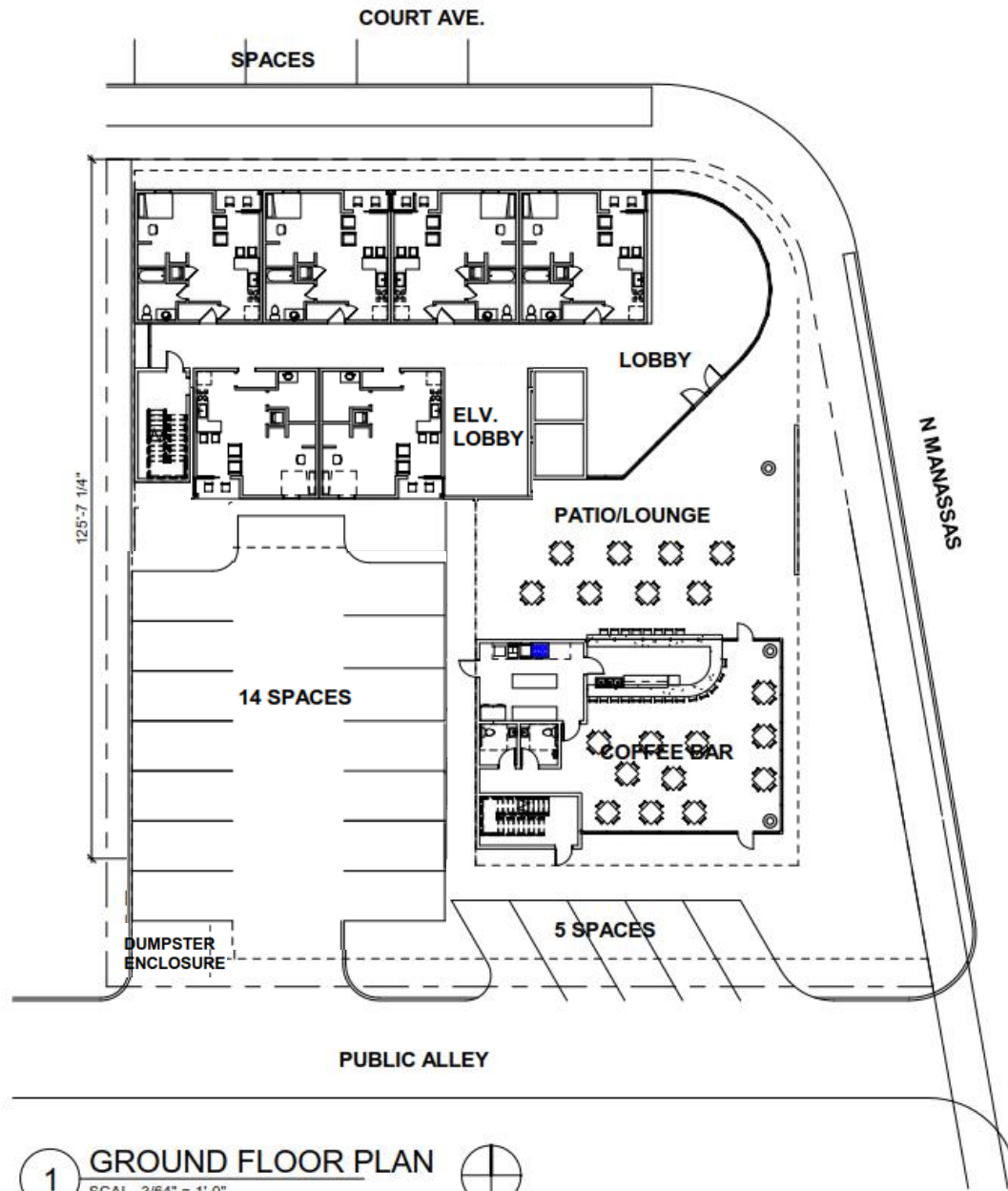
5/7/2021

GROUND FLOOR  
 6 SINGLE BED APARTMENTS 500SF/EA = 2000SF  
 LOBBY = 1660SF  
 COFFEE BAR = 1800SF  
 SUBTOTAL = 5360SF

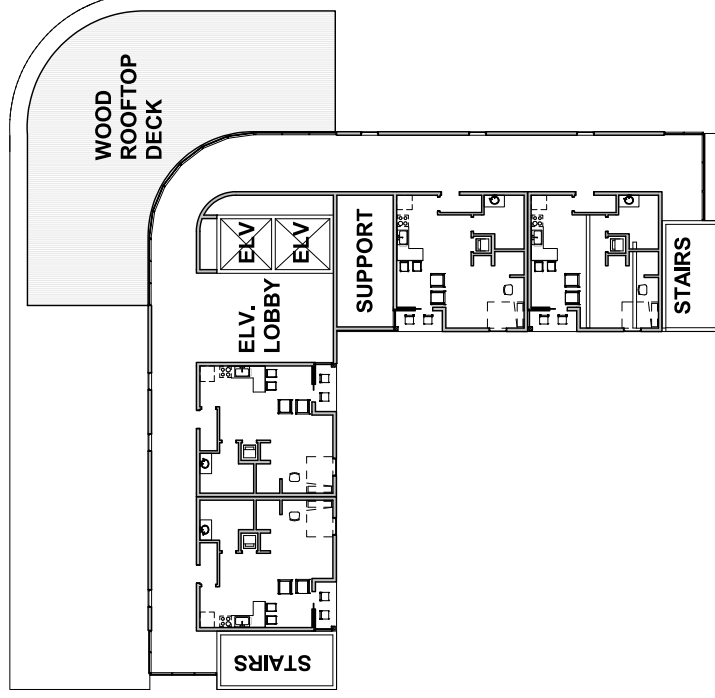
SECOND, THRID, & FOURTH FLOORS  
 13 SINGLE BED APARTMENTS 500SF/EA = 6500SF  
 CIRCULATION = 2000SF  
 SUBTOTAL = 25,500SF

FIFTH FLOOR  
 4 SINGLE BED APARTMENTS 500SF/EA = 2000SF  
 CIRCULATION = 2000SF  
 ROOFTOP DECK = 1500SF  
 SUBTOTAL = 4000SF

TOTAL SINGLE BED APARTMENTS = 49  
 TOTAL BUILDING AREA = 35,960SF  
 BUILDING HEIGHT 5 FLOORS 55'

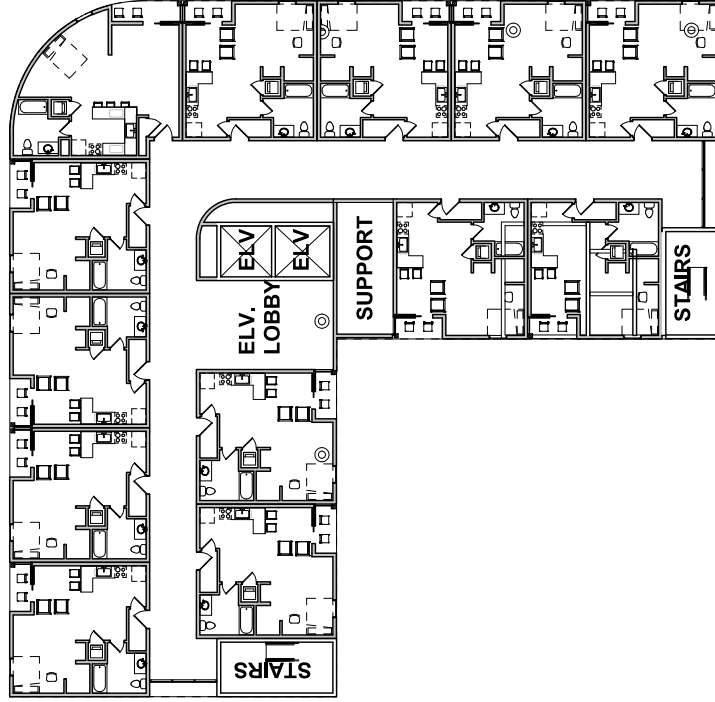






2 LEVEL 5 FLOOR PLAN

SCAL. 3/64" = 1'-0"  
E.



1 LEVELS 2, 3 & 4 FLOOR PLANS

SCAL. 3/64" = 1'-0"  
E.



NORTHEAST ARIAL

757 COURT AVENUE FIT STUDY

757 COURT

5/7/2021



EAST ELEVATION

**brg.3s** architects



757 COURT AVENUE FIT STUDY

757 COURT

5/7/2021



NORTH ELEVATION

**brg.3s** architects

