



**Belle Monte Phase 2, LLC  
0 North Bellevue St / 272 North Bellevue St (Phase 2)  
PILOT Application**

**September 17, 2026**

**Belle Monte Phase 2, LLC  
0 North Bellevue St / 272 North Bellevue St (Phase 2)  
PILOT Application**

**1. Application Background:**

Belle Monte Phase 2, LLC  
1770 Kirby Parkway, Suite 215  
Memphis, Tennessee 38138

Representative:  
Scott Kern  
[skern@krndev.com](mailto:skern@krndev.com)  
619-302-0536

Developer Background Information:

KPS Development Partners, LLC is a Memphis-based, full-service real estate development company focused on mixed-use development in urban and suburban markets across the country. Scott Kern has been involved in some of the most exceptional additions to the City of Memphis, with current projects such as Oak Court Mall and the stabilization of the Brick Church at 299 Chelsea Ave – a key anchor of the Chelsea Neighborhood Center redevelopment, along with Belle Mont Phase 1. These properties have been groundbreaking, often acting as a catalyst for future development in the areas where they are located. Through careful design, KPS develops with a commitment to environmental sustainability and cultural integrity, ensuring a high caliber for all their projects. The development team has experience in real estate development, construction, finance, and entitlements across multiple asset classes including multifamily, mixed-use, entertainment venues, and healthcare.

**2. Proposed Project Description:**

Location: The proposed project site is a portion of a formerly vacant 2.53-acre parcel located at 0 North Bellevue St / 272 North Bellevue St (Tax Parcel No. 02000500011) in the Crosstown neighborhood area of Memphis, Tennessee. Phase 1, which is located on the eastern 0.99 acres of the property, was completed in June 2026. Phase 2 will be approximately 0.55-acres located in the middle of the property, reserving the balance of the site (western portion) for future development.

Site History: From 1908 until 1973 the site was the location of the Dr. R.B. Maury Public School. The school was demolished in 1997 and the site has been vacant until the completion of Belle|Mont Phase 1 earlier this year.

Intended Use: Located in a primarily residential neighborhood, the site provides a tremendous opportunity to create a pocket neighborhood of for-rent 'Missing Middle' housing with rents at or below the 80% AMI rent limits. With Phase 1 being completed and showing significant promise for the Crosstown area, Phase 2 now plans to expand upon the success of Phase 1.

KPS' plans for the Property involve creating a modern, community-focused residential development with a range of unit sizes and amenities designed to enhance livability. The project is a blend of historical context with contemporary residential needs, providing a blueprint for future development in the area while revitalizing the vacant site.

Phase 2 will consist of 14 units in a mixture of duplexes and triplexes surrounding a shared walkway for easy access and cross connection to Phase 1. The units include two (2) 2-bedroom triplexes, two (2) 2-bedroom duplexes and two (2) 1-bedroom duplexes for a total of 14 units averaging 902 square feet per unit.

Finishes for the interior of each unit to include quartz countertops, LVT flooring, and Energy Star appliances. On the exterior we plan to provide a walkable space with access to the courtyard provided in phase 1 which includes a covered grilling station and fire pit. The site also features curated landscaping, a dog run, and secured parking.

Economic Impact: The development of the new pocket neighborhood will generate economic benefits for the local community with job creation, providing attainable housing, increasing property values, supporting local business, and generating tax revenue.

The construction phase of the project will create numerous jobs, including opportunities for local contractors, tradespeople, and suppliers. Once completed, ongoing property management and maintenance will provide additional employment opportunities.

By offering 'Missing Middle' housing units with rents between 80% - 100% AMI rent limits, the project addresses the critical need for attainable housing in the area. This will support local workforce housing needs, enabling more individuals to live close to their places of employment.

The introduction of a well-designed, modern residential community is expected to enhance the overall property value in the Crosstown Neighborhood. This positive ripple effect can lead to further investment and revitalization in the surrounding areas.

The influx of new residents will drive increased demand for local services, retail, and dining establishments, particularly benefiting the nearby Crosstown Concourse. This will assist in stimulating the local economy and contribute to the vibrancy of the community.

The development will increase the local tax base through property taxes, which can be used to fund public services and infrastructure improvements within the City of Memphis.

Environmental Impact: The project is designed with sustainability and environmental stewardship in mind, incorporating several key features such as preserving as many existing, mature trees as possible and maximizing green space that features landscaping that is native to the region throughout the property. These areas not only provide recreational opportunities for residents but also contribute to the local ecosystem by reducing heat island effects and promoting biodiversity through the use of native plants.

The development's proximity to the Crosstown Concourse and other amenities encourages walking and biking, reducing reliance on cars and lowering overall carbon emissions. Secured parking will be provided for those who do drive, but the emphasis will be on creating a pedestrian-friendly environment.

By continuing to transform a long-vacant site into a vibrant residential community, the project prevents urban sprawl and promotes the efficient use of existing urban land.

Marketing Plan: The pocket neighborhood is expected to be leased at 80%-100% AMI rental rates to help alleviate the need for attainable workforce housing. The project anticipates appealing to young professionals and students of the Memphis Medical District. Leasing will be handled through a third part property management company targeting the lease-up of 4 units per month for 4-6 months from substantial completion. Additionally, the proposed unit mix of primarily 2-bedroom units is based on the strong demand for 2 beds that we saw during the lease-up of Phase 1. We currently have a significant waitlist of future tenants who desire 2-bedroom units that we could not accommodate in phase 1.

### **3. Site Control:**

Bellevue Montgomery, LLC, the development entity responsible for Phase I currently owns the subject property. Given that Phase 2 will have a separate capital stack and investors from Phase I, the project entity for Phase 2 will acquire the land from Bellevue Montgomery, LLC at a fair market value based on an appraisal that was conducted in May 2026. KPS Development Partners will be the managing member for both entities. KPS Development confirmed with the City that the proposed project can be approved as a by-right project. We have submitted for Administrative Site Plan Review with the city and Certificate of Appropriateness (CoA) with Memphis Landmarks Commission (MLC). We anticipate receiving approval and a Certificate of Appropriateness at the October MLC meeting.

### **4. Project Team:**

Developer: KPS Development Partners

Architect: Kronberg Urbanists Architects – an Atlanta-based firm

Engineer: EFI Global, Inc.

Contractor: Inkan Builders, Inc.

Property Management: Longstep Property Solutions

**5. Project Timeline:**

- August – December 2026 – Project design & entitlements
- December 2026 – Closing on property and construction loan
- December 2026 – Commencement of construction
- Q4 2027 – Phase 2 project completion

**6. Development Budget & Assumptions:**

See attached exhibit.

**7. Financing Terms:**

Anticipated construction financing through Pathway Lending with draft terms as follows:

- Anticipated Loan Amount: \$1.9M
- LTC: 68%
- Rate: 6.00%
- 7-year term with 12-24 months of interest only and 28-year amortization.

**8. Pro Formas:**

See attached exhibit.

**9. Financial Statements:**

Available upon request.

**10. Credit References:**

**a) Josh Poag**

President and CEO

Poag Development Group, LLC

1770 Kirby Pkwy Ste 215, Memphis, TN 38138

(901) 761-7604

**b) Hank Helton**

Executive Vice President

Pathway Lending

201 Venture Circle

Nashville, TN 37228

(615) 425-7171

**c) Greg Spillyards**

CEO and Managing Director  
Cushman & Wakefield | Commercial Advisors, LLC  
5101 Wheelis Dr, Memphis, TN 38117  
(901) 366-6070

**11. Items for Lease Preparation:**

Entity: Belle Monte Phase 2, LLC  
Address: 0 North Bellevue St / 272 North Bellevue St  
Parcel ID: 02000500011  
Assessed Value: \$43,200

**12. 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.

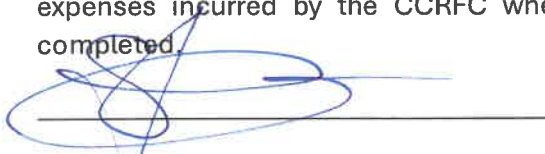
No.

c. Please supply detailed information.

N/A

**13. Applicant Affirmation:**

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 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.



September 17, 2026

Scott Kern  
KPS Development Partners, LLC  
[skern@krndev.com](mailto:skern@krndev.com)  
(619) 302-0536

**Index of Exhibits:**

A) Architectural Plans & Renderings

B) Sources & Uses

C) Cash Flow Pro Forma

D) Budget

E) PILOT Request

**EXHIBIT A -  
Architectural Plans  
and Renderings**



| SITE PLANNING BUILDING BREAKDOWN |      |           |            |            |            |
|----------------------------------|------|-----------|------------|------------|------------|
| TYPE MARK                        | SIZE | BLDG AREA | BLDG COUNT | UNIT COUNT | AREA/ UNIT |

|           |         |         |    |    |         |
|-----------|---------|---------|----|----|---------|
| PHASE 1   |         |         |    |    |         |
| 1AA       | 1B/1B   | 1280 SF | 5  | 10 | 640 SF  |
| 1AA + 1AA | 1B/1B   | 2560 SF | 2  | 8  | 640 SF  |
| 1C (UFAS) | 1B/1B   | 448 SF  | 1  | 1  | 448 SF  |
| 2B        | 2B/2.5B | 1152 SF | 2  | 2  | 1152 SF |
| 2BB       | 2B/2.5B | 2304 SF | 1  | 2  | 1152 SF |
|           |         |         | 11 | 23 |         |

|         |         |         |   |    |         |
|---------|---------|---------|---|----|---------|
| PHASE 2 |         |         |   |    |         |
| 1HH     | 1B/1B   | 1152 SF | 2 | 4  | 576 SF  |
| 2BB     | 2B/2.5B | 2304 SF | 2 | 4  | 1152 SF |
| 2DDD    | 2B/1.5B | 2880 SF | 1 | 3  | 960 SF  |
| 2EEE    | 2B/1.5B | 2880 SF | 1 | 3  | 960 SF  |
|         |         |         | 6 | 14 |         |

|           |         |         |    |    |        |
|-----------|---------|---------|----|----|--------|
| PHASE 3   |         |         |    |    |        |
| 1A        | 1B/1B   | 640 SF  | 1  | 1  | 640 SF |
| 1AA       | 1B/1B   | 1280 SF | 2  | 4  | 640 SF |
| 1AA + 1AA | 1B/1B   | 2560 SF | 2  | 8  | 640 SF |
| 1C (UFAS) | 1B/1B   | 448 SF  | 1  | 1  | 448 SF |
| 2D        | 2B/1.5B | 960 SF  | 1  | 1  | 960 SF |
| 2DD       | 2B/1.5B | 1920 SF | 2  | 4  | 960 SF |
| 2DDD      | 2B/1.5B | 2880 SF | 1  | 3  | 960 SF |
|           |         |         | 10 | 22 |        |
| TOTAL:    |         |         | 27 | 59 |        |

| PARKING SCHEDULE |       |
|------------------|-------|
| LOCATION         | COUNT |
| ON-SITE          | 61    |
| ON-STREET        | 7     |
| TOTAL            | 68    |

SITE PLAN  
UPDATE  
SD-1.1  
08/11/2026

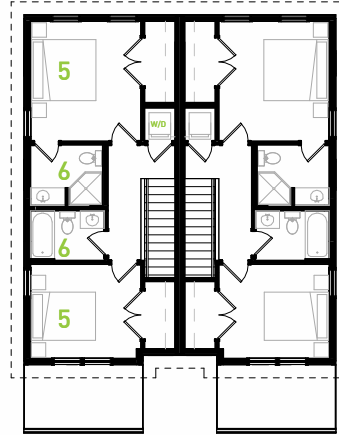
BELLEVUE COTTAGES  
272 N BELLEVUE BLVD  
MEMPHIS, TN 38105

1 SITE PLAN  
SD-1.1 1" = 60'-0"

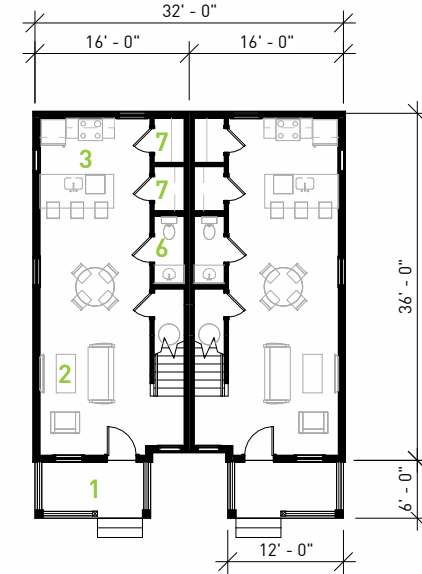


# WAXWING TWO PACK - 2BB

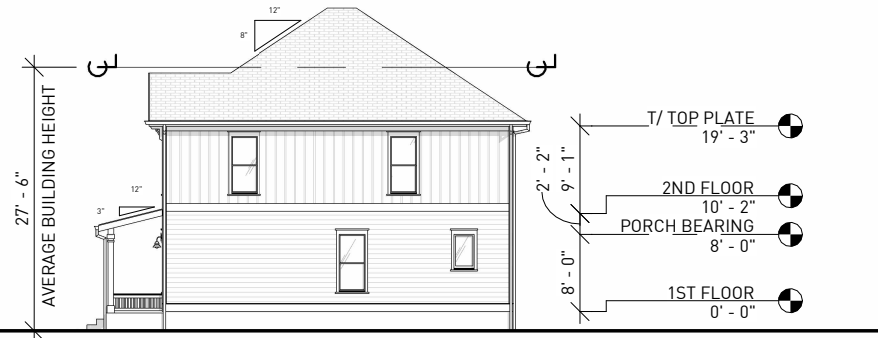
UNITS: 2  
 STORIES: 2  
 BEDROOMS: 2 / UNIT  
 BATHROOMS: 2.5 / UNIT  
 GROSS SF: 2304 SF  
 UNIT SF: 1152 SF  
 PORCH SF: 72 SF / UNIT



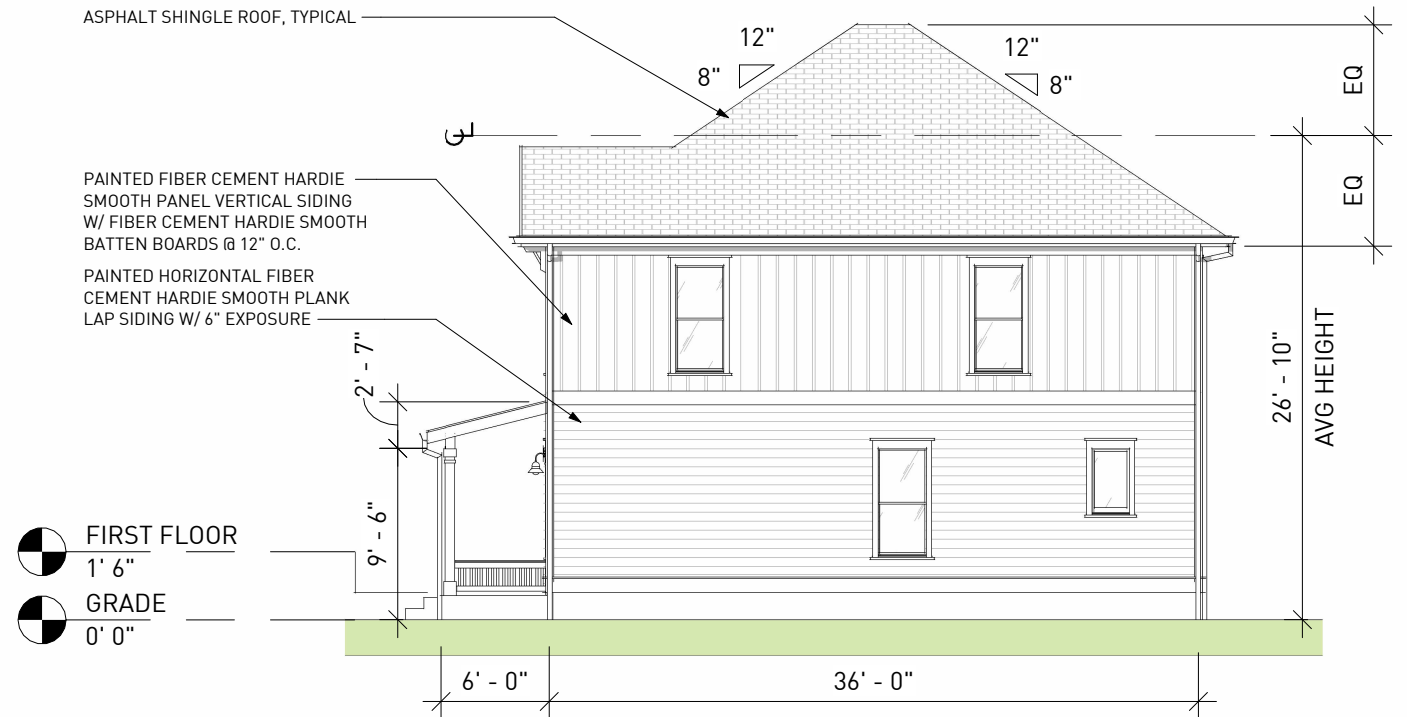
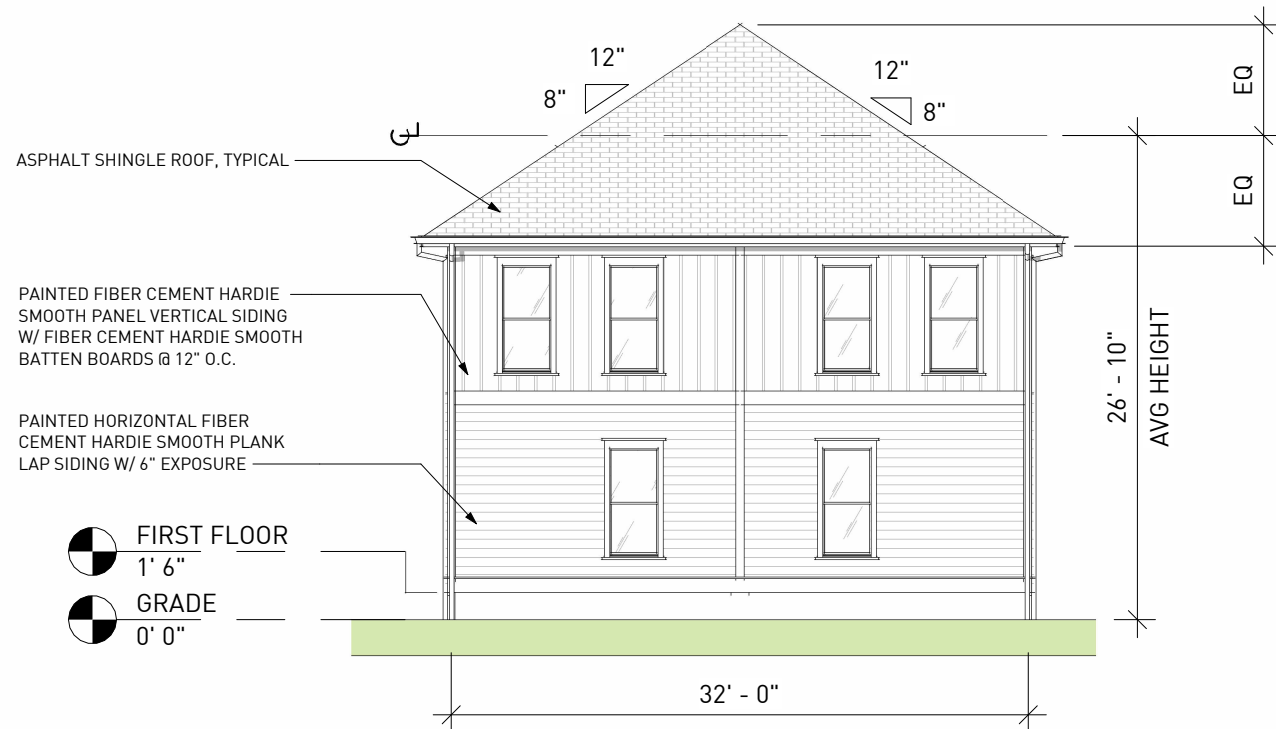
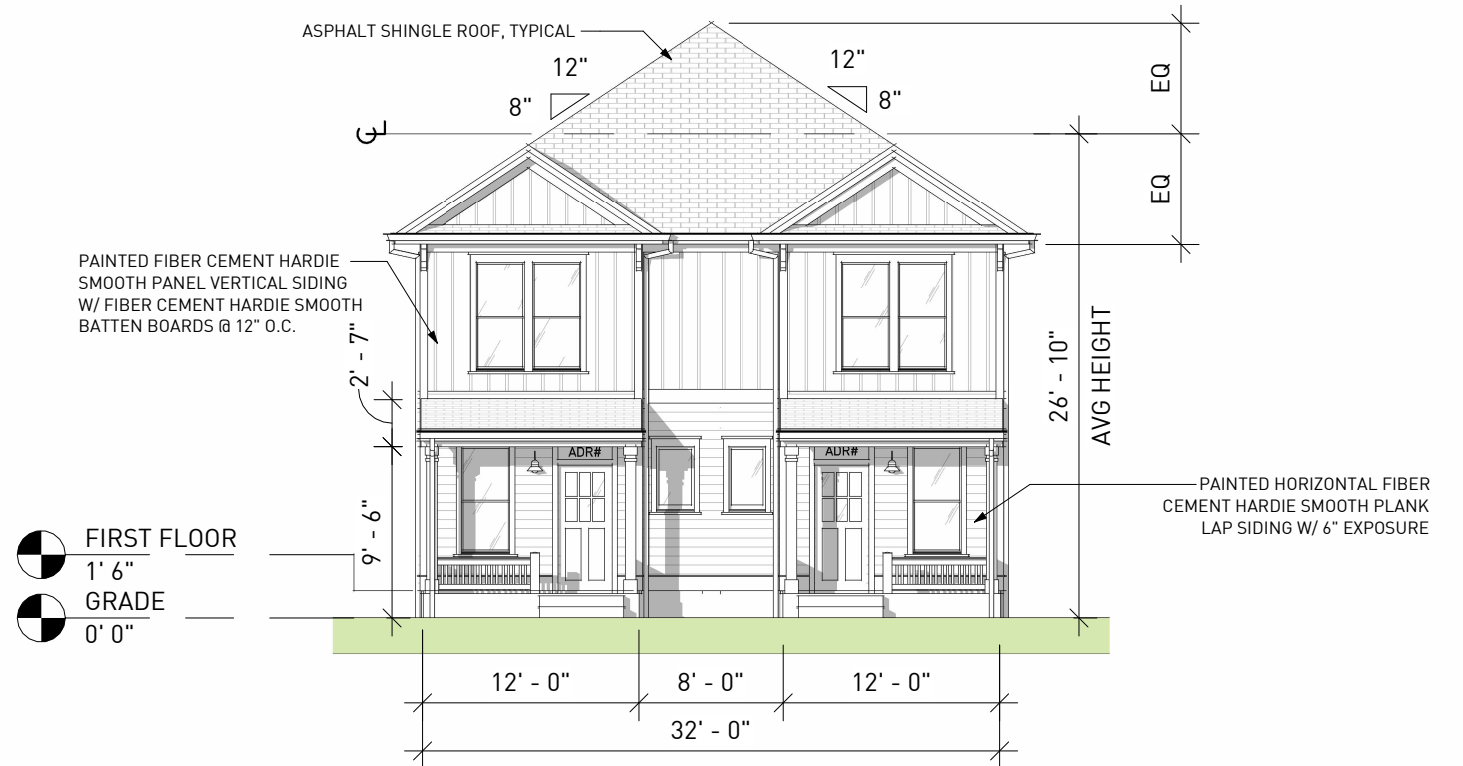
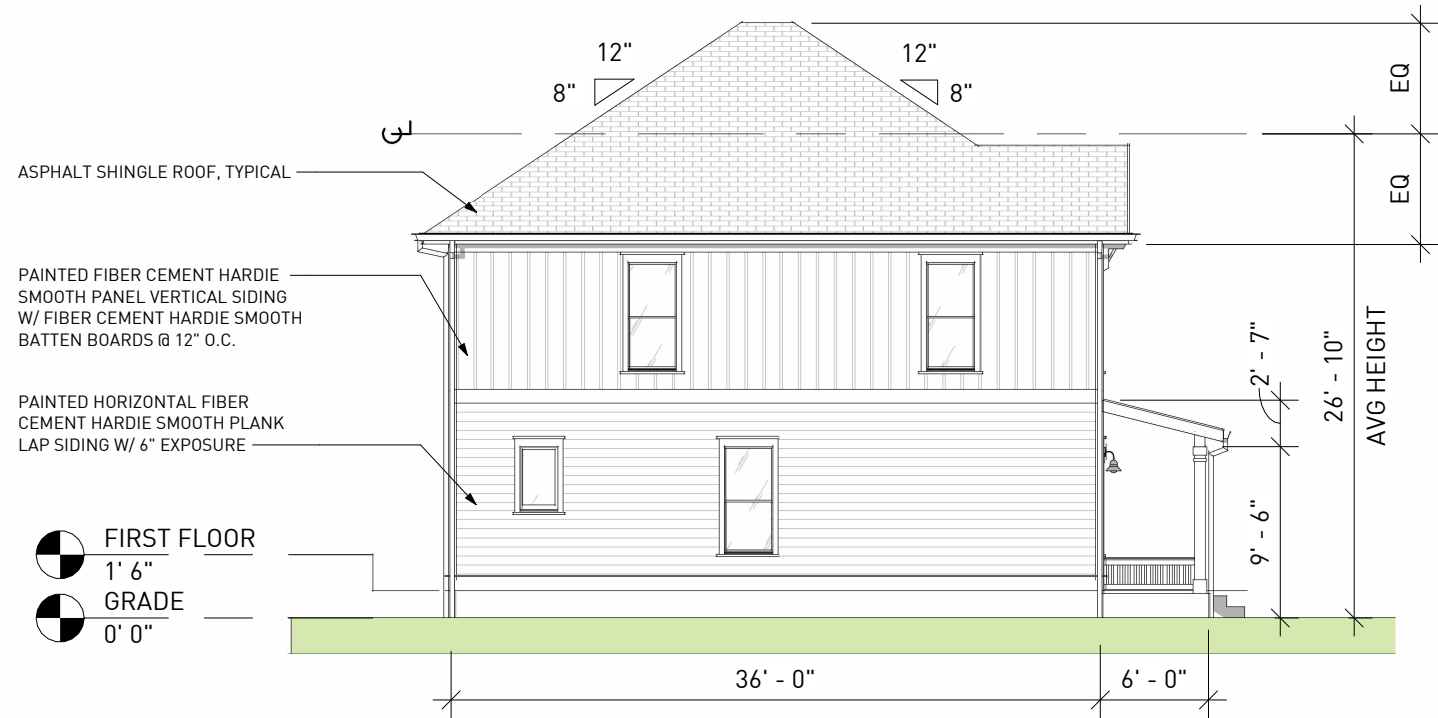
2ND FLOOR



1ST FLOOR



- 1 FRONT PORCH
- 2 LIVING
- 3 KITCHEN
- 4 DINING
- 5 BEDROOM
- 6 BATHROOM
- 7 CLOSET



# WAXWING 2-PACK- 2BB

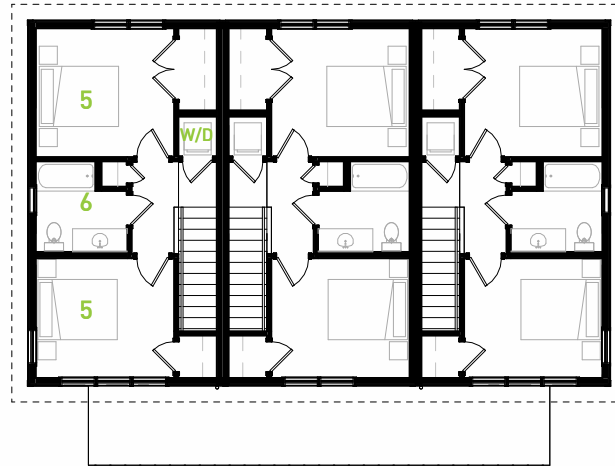
## BELLEVUE COTTAGES

272 N BELLEVUE BLVD  
MEMPHIS, TN

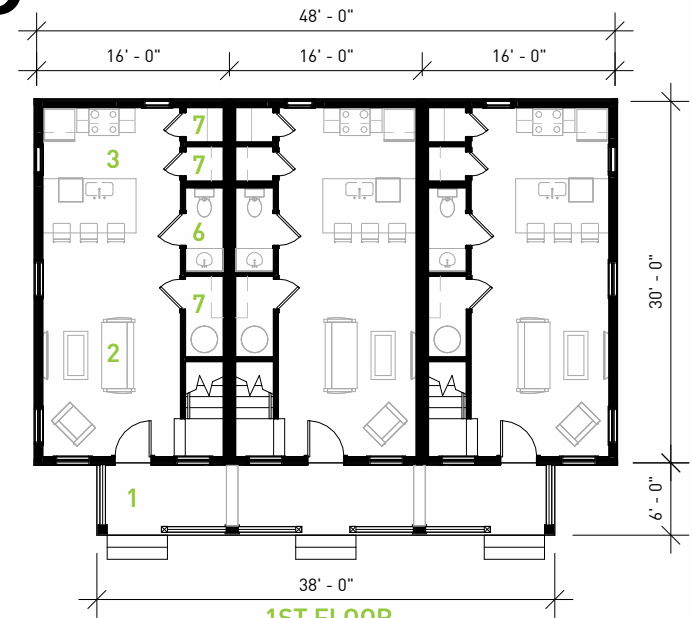


# CHICKADEE (30 FT) 3-ROW - 2DDD

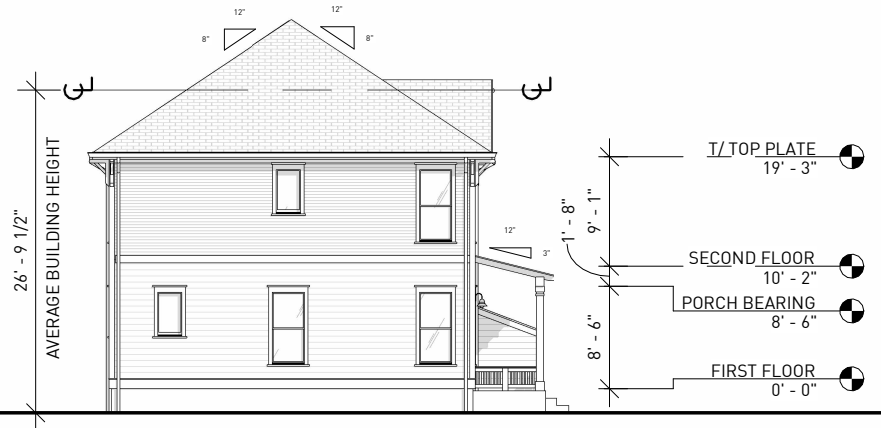
UNITS: 3  
 STORIES: 2  
 BEDROOMS: 2 / UNIT  
 BATHROOMS: 1.5 / UNIT  
 GROSS SF: 2880 SF  
 UNIT SF: 960 SF  
 PORCH SF: 228 SF



2ND FLOOR

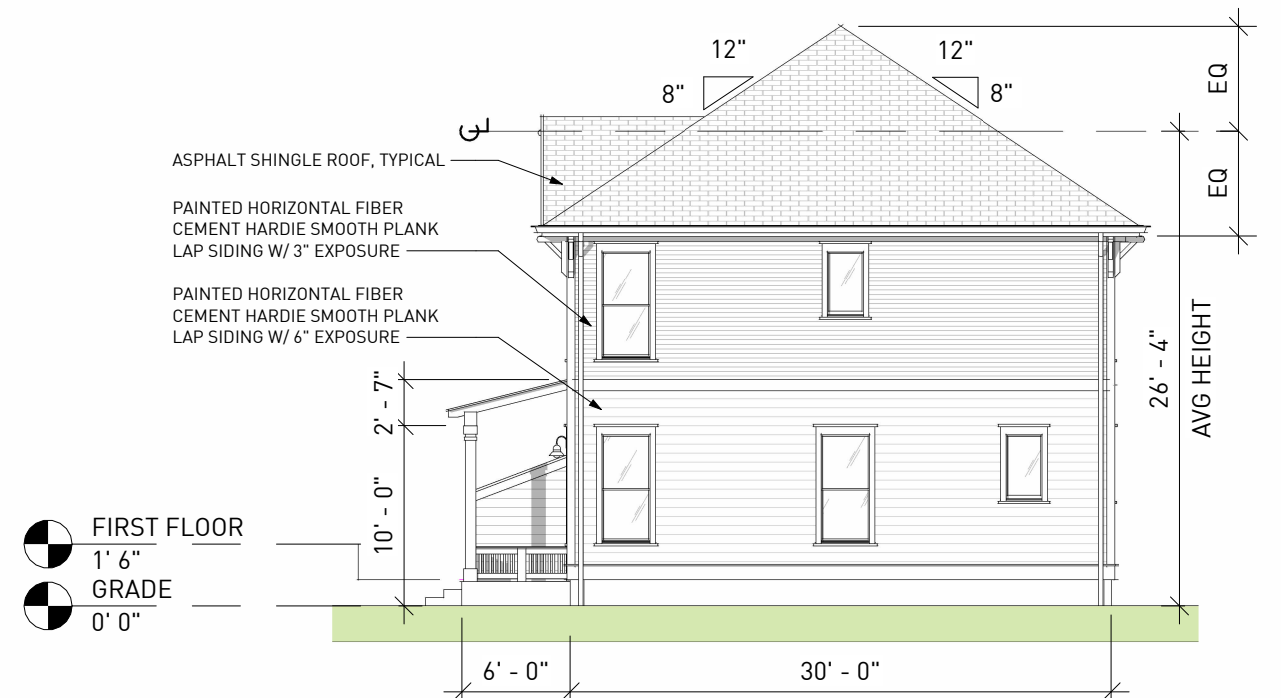
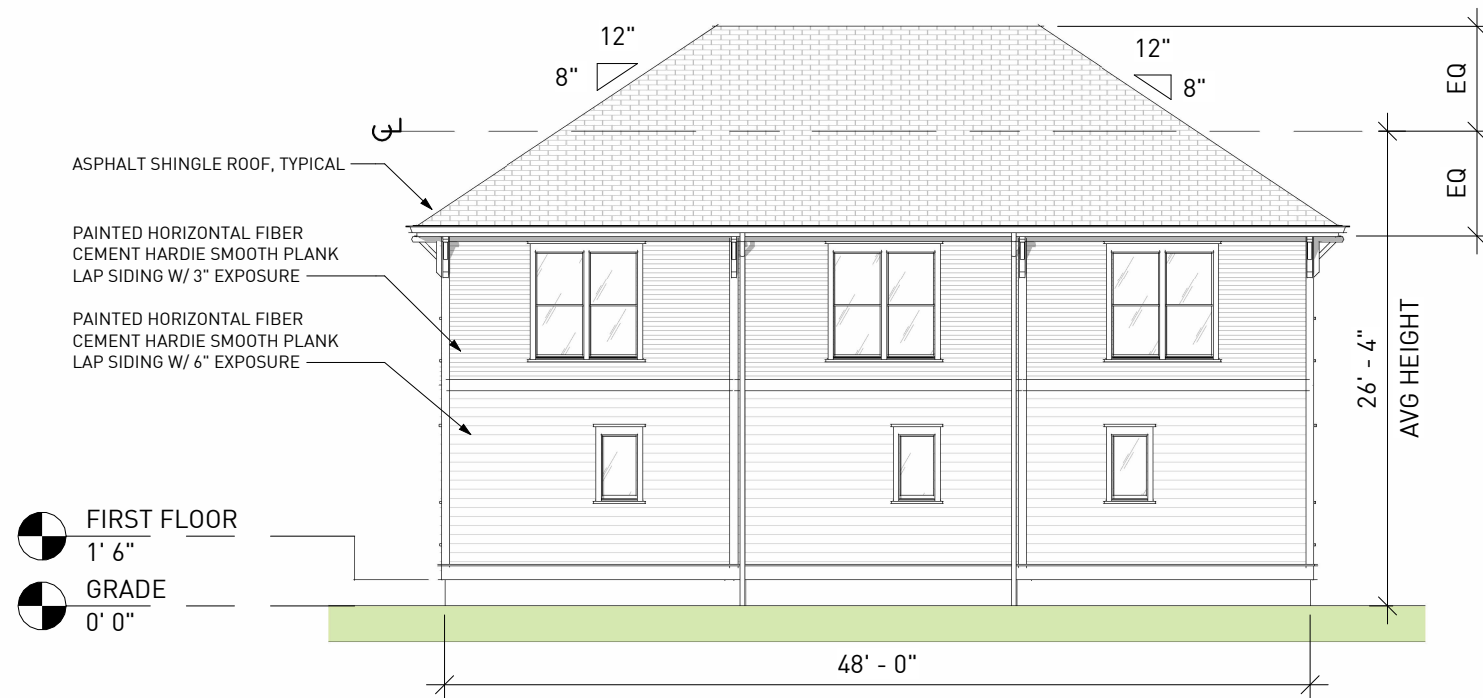
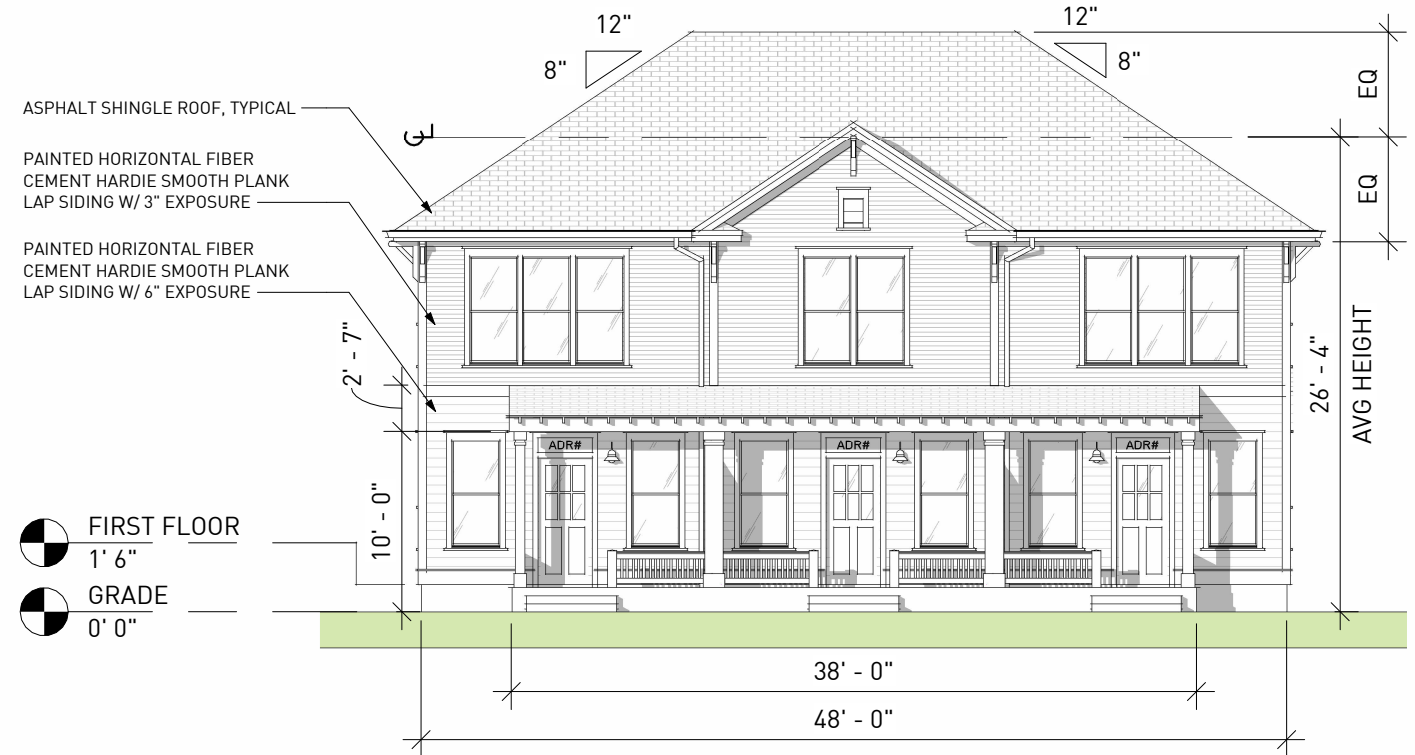
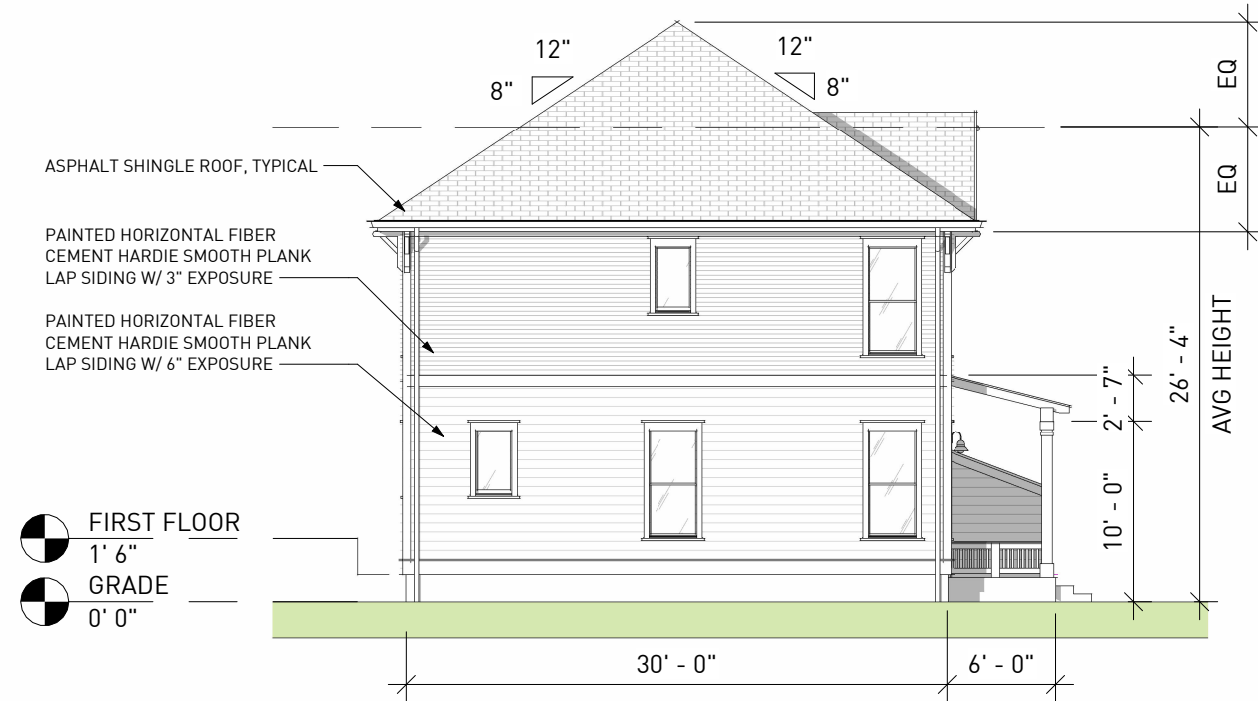


1ST FLOOR



- 1 FRONT PORCH
- 2 LIVING
- 3 KITCHEN
- 4 DINING
- 5 BEDROOM
- 6 BATHROOM
- 7 CLOSET





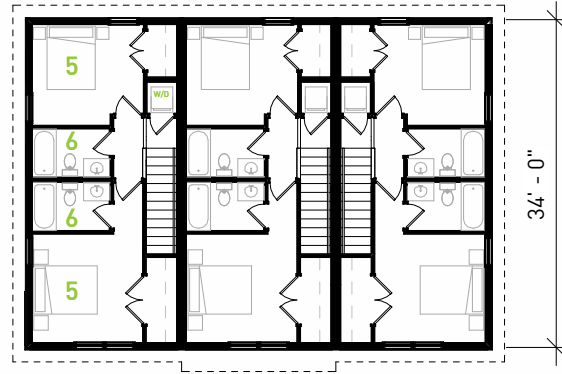
# CHICKADEE 3-ROW - 2DDD BELLEVUE COTTAGES

272 N BELLEVUE BLVD  
MEMPHIS, TN 38105

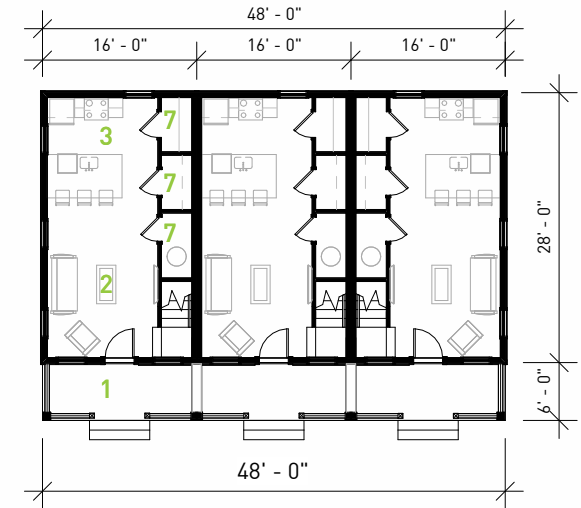


# TURTLEDOVE 3-ROW - 2EEE

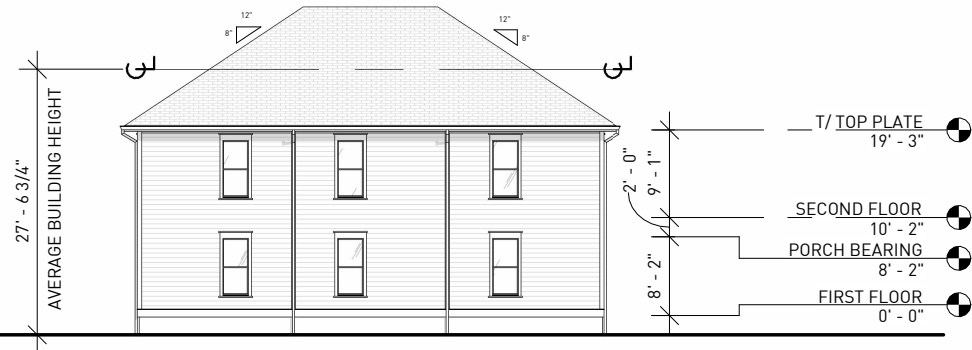
UNITS: 3  
 STORIES: 2  
 BEDROOMS: 2 / UNIT  
 BATHROOMS: 2 / UNIT  
 GROSS SF: 2,976 SF  
 UNIT SF: 992 SF  
 PORCH SF: 288 SF



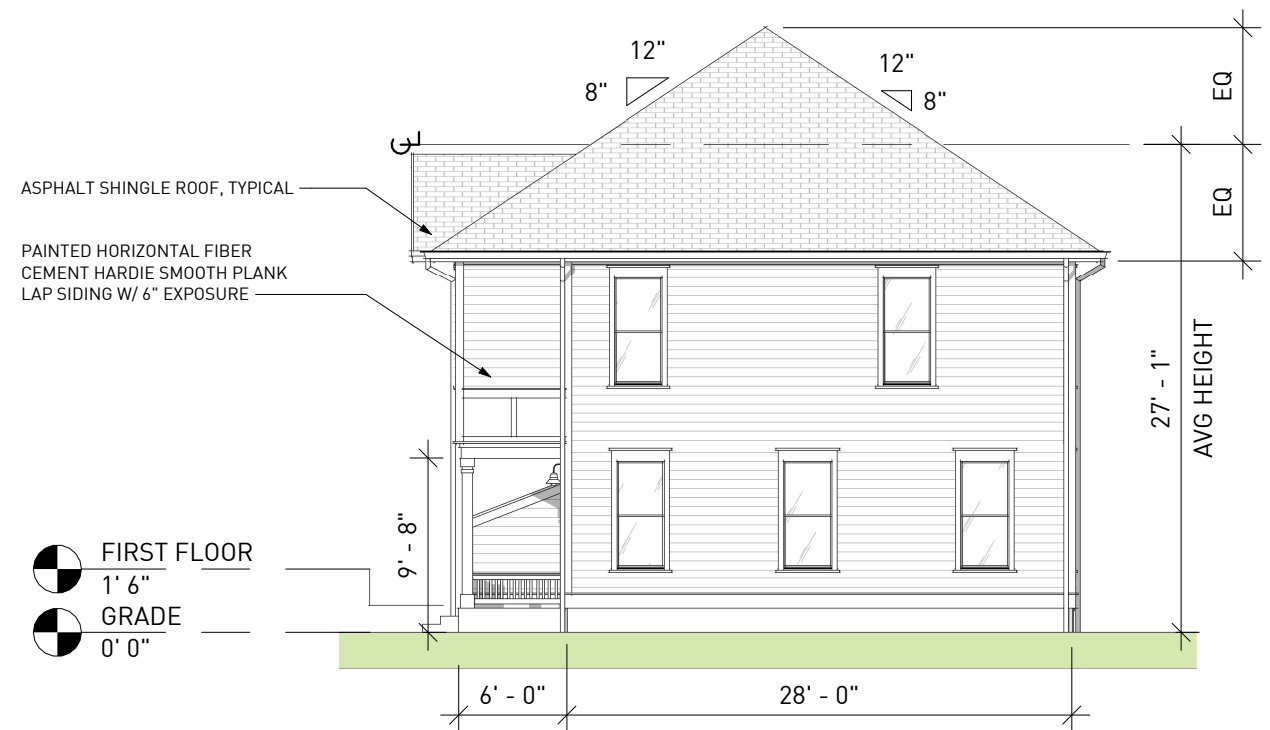
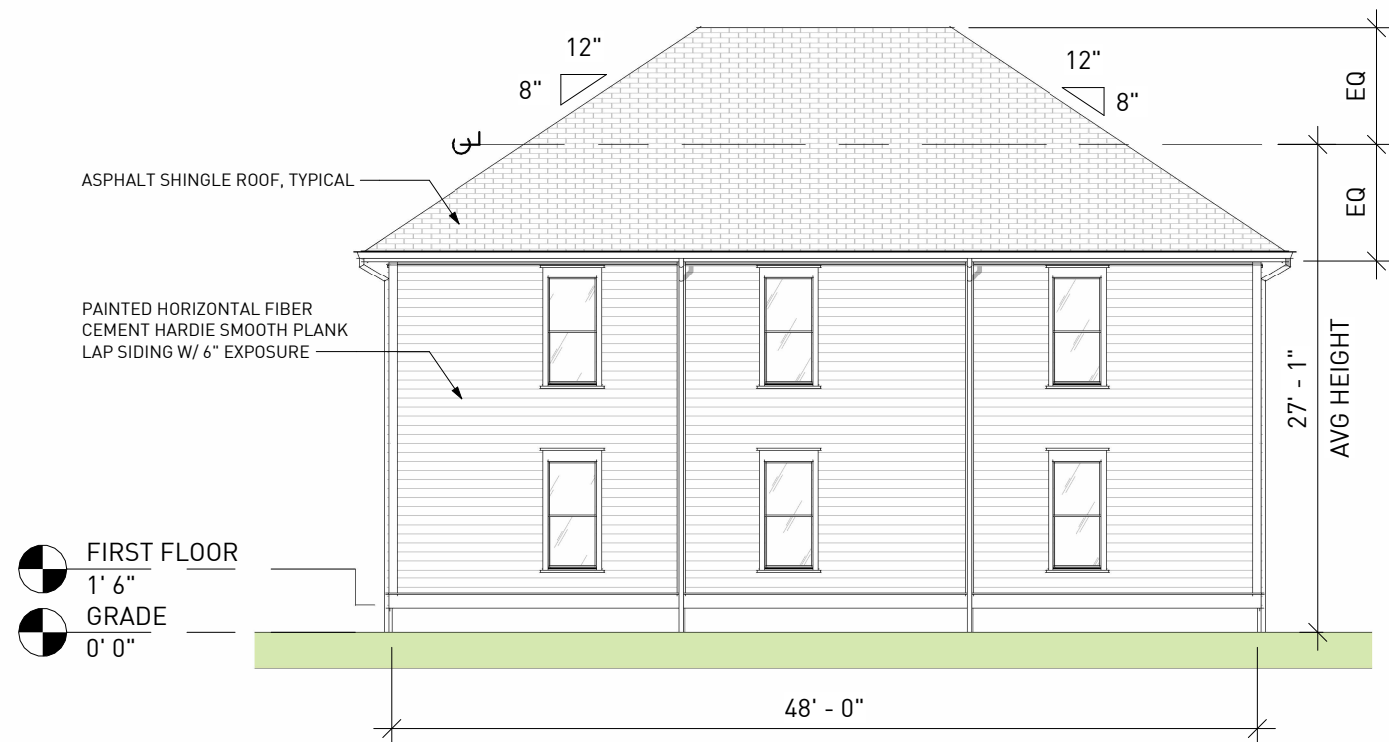
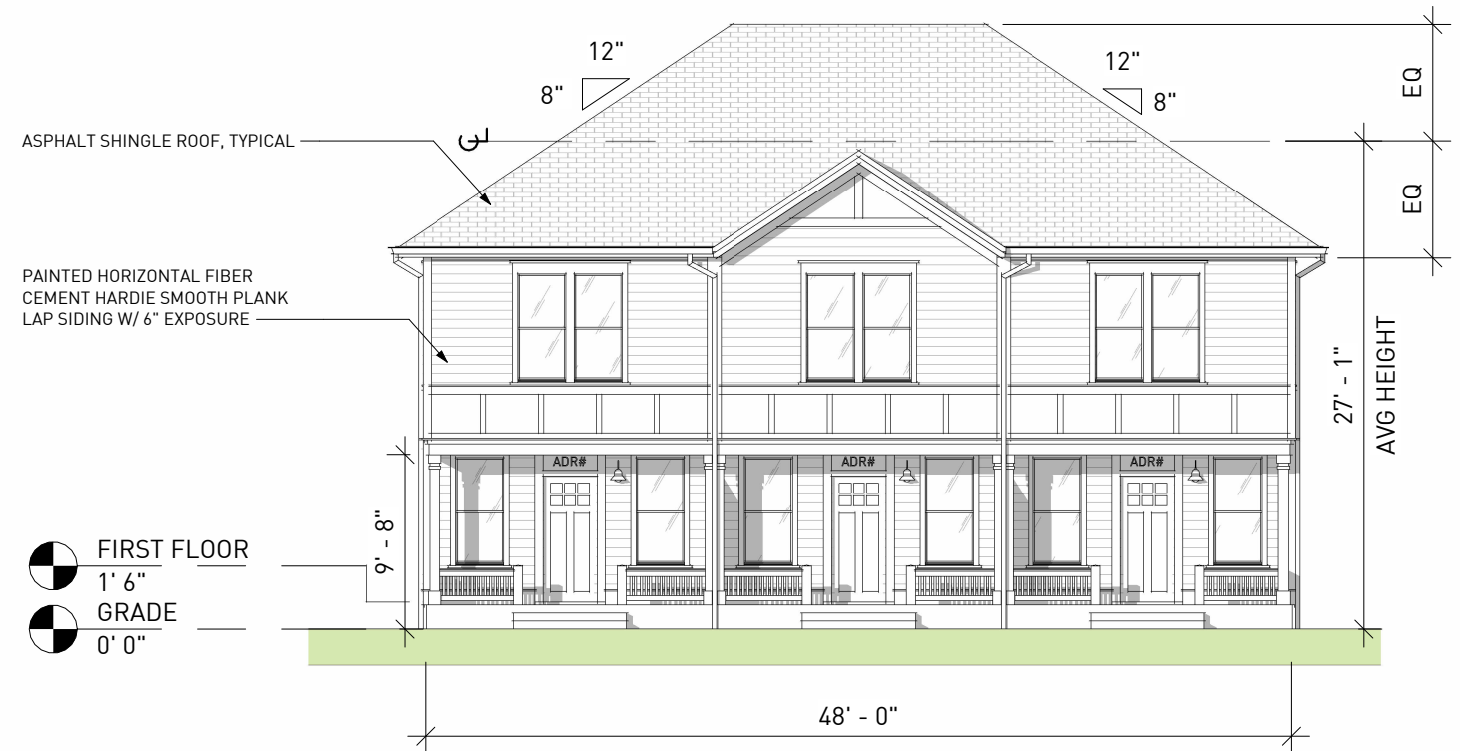
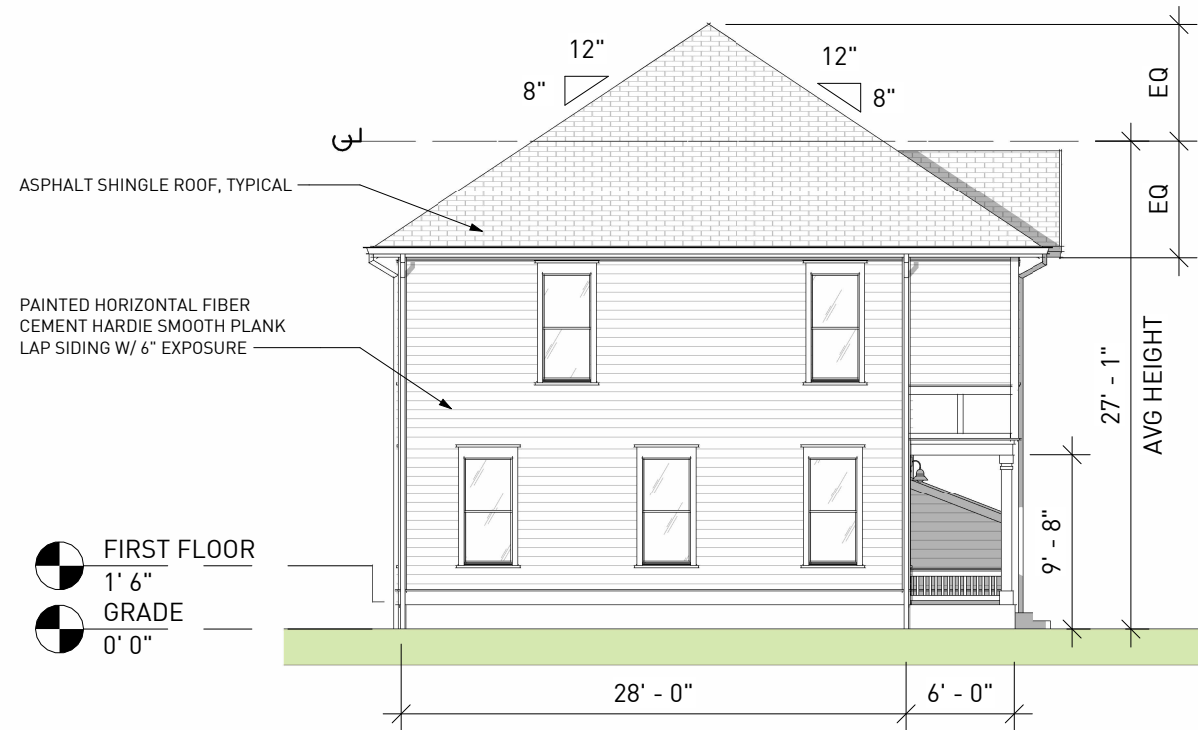
2ND FLOOR



1ST FLOOR



- 1 FRONT PORCH
- 2 LIVING
- 3 KITCHEN
- 4 DINING
- 5 BEDROOM
- 6 BATHROOM
- 7 CLOSET



TURTLEDOVE 3-ROW - 2EEE

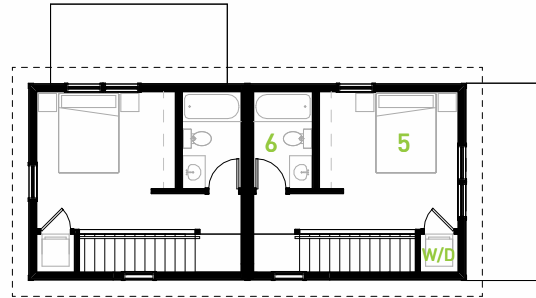
BELLEVUE COTTAGES

272 N BELLEVUE BLVD  
MEMPHIS, TN

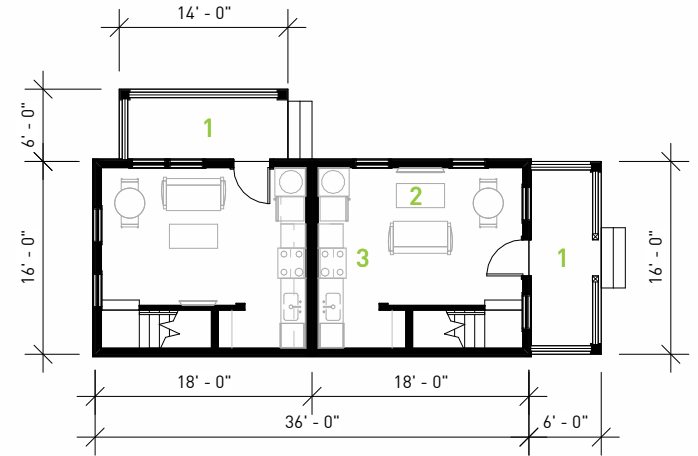


# HIBISCUS TWO PACK - 1HH

UNITS: 2  
 STORIES: 2  
 BEDROOMS: 1 / UNIT  
 BATHROOMS: 1 / UNIT  
 GROSS SF: 1152 SF  
 UNIT SF: 576 SF  
 PORCH SF: 84 SF, 96 SF



2ND FLOOR

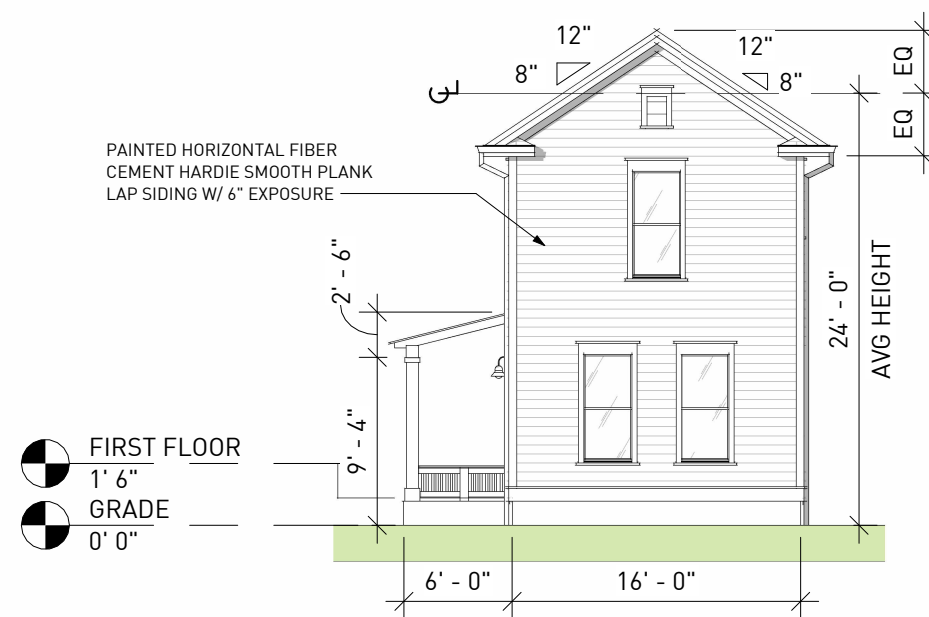
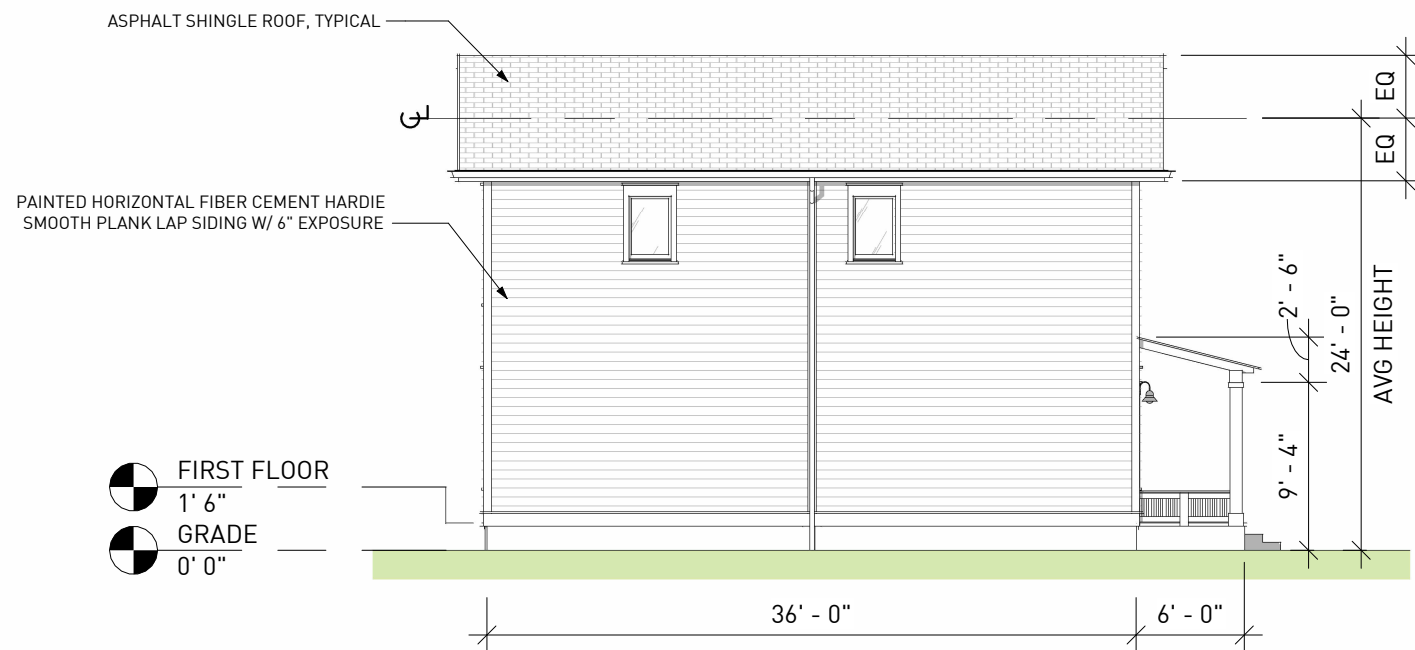
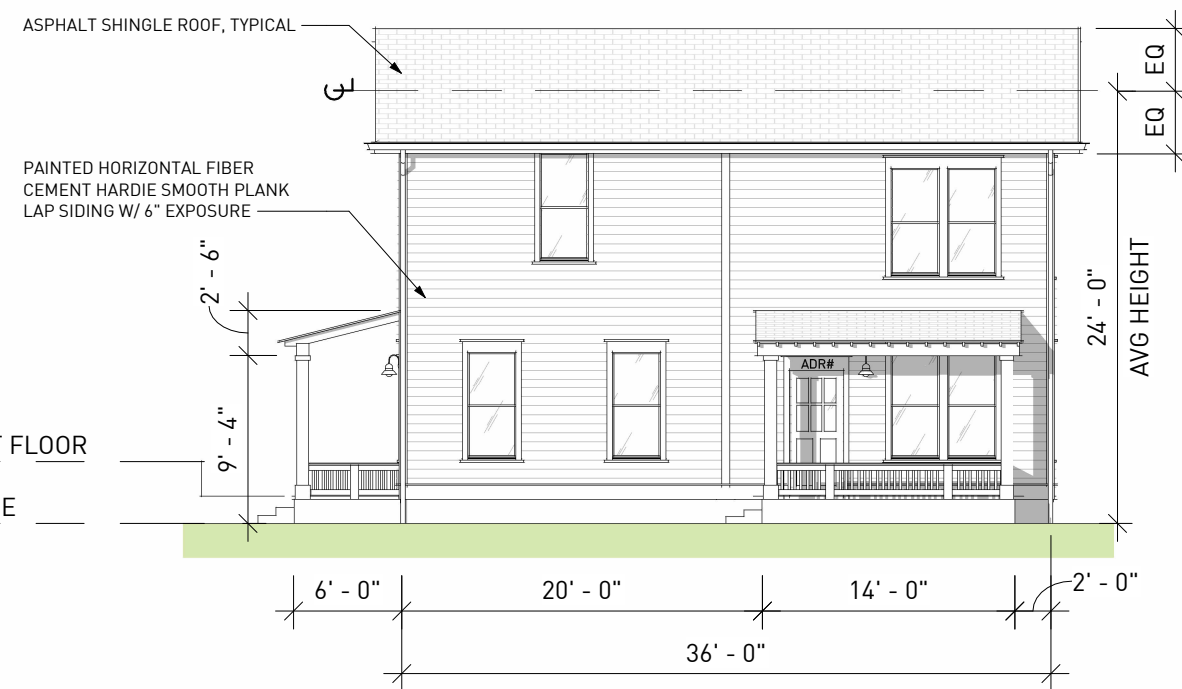
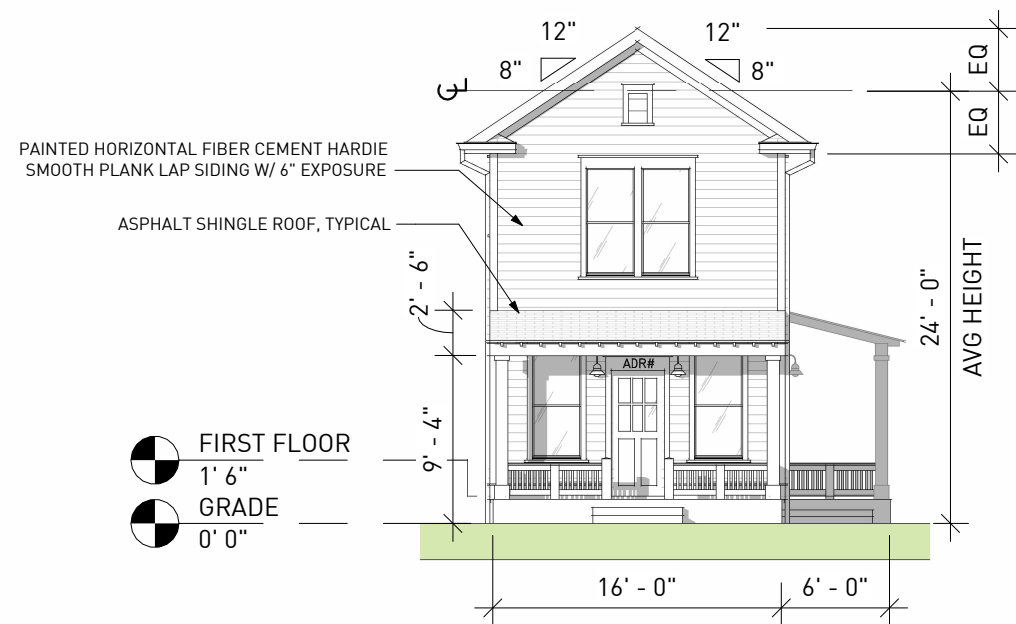


1ST FLOOR



- 1 FRONT PORCH
- 2 LIVING
- 3 KITCHEN
- 4 DINING
- 5 BEDROOM
- 6 BATHROOM
- 7 CLOSET





# HIBISCUS 2-PACK - 1HH BELLEVUE COTTAGES

272 N BELLEVUE BLVD  
MEMPHIS, TN



- FIRST FLOOR  
1' 6"
- GRADE  
0' 0"
- SIDEWALK  
-5' 0"

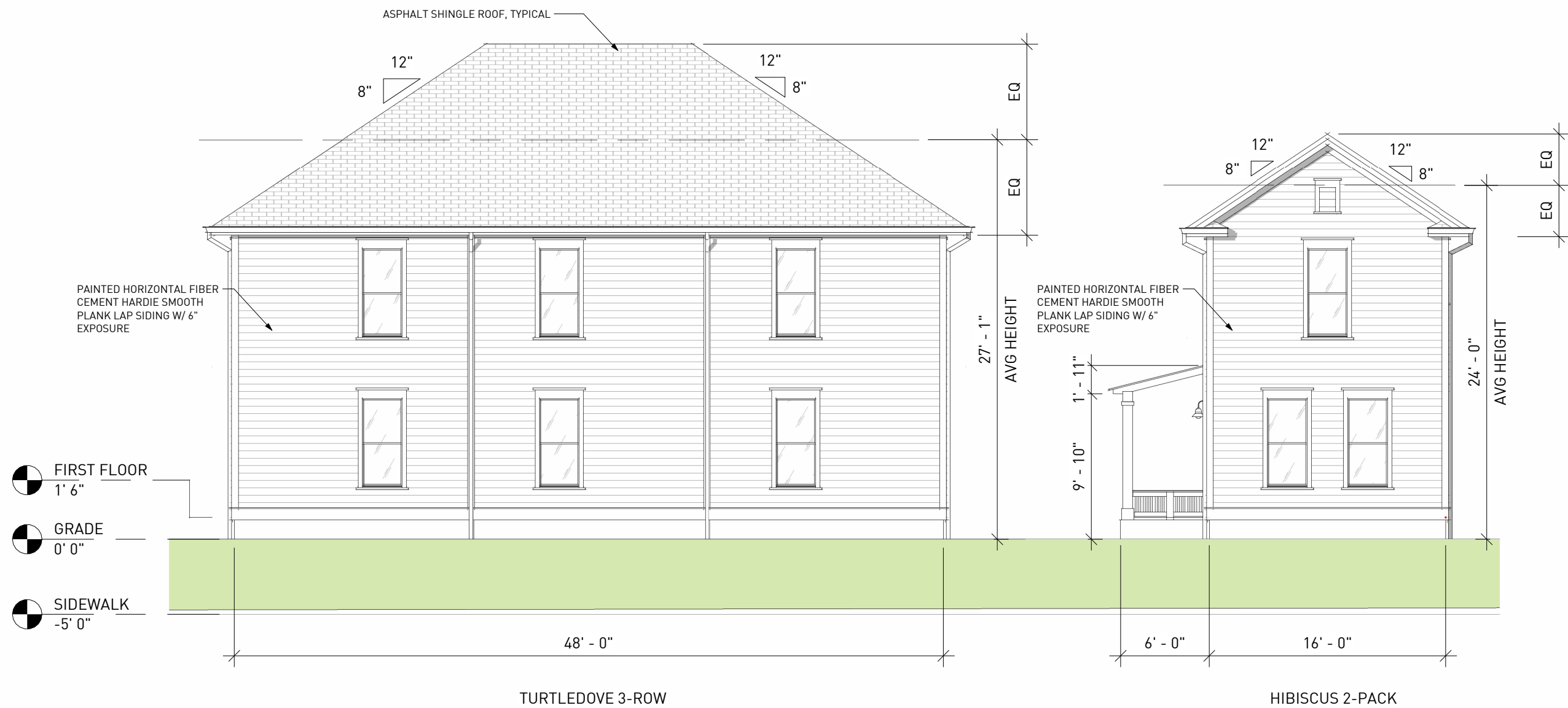
FENCE NOT SHOWN FOR  
GRAPHIC CLARITY

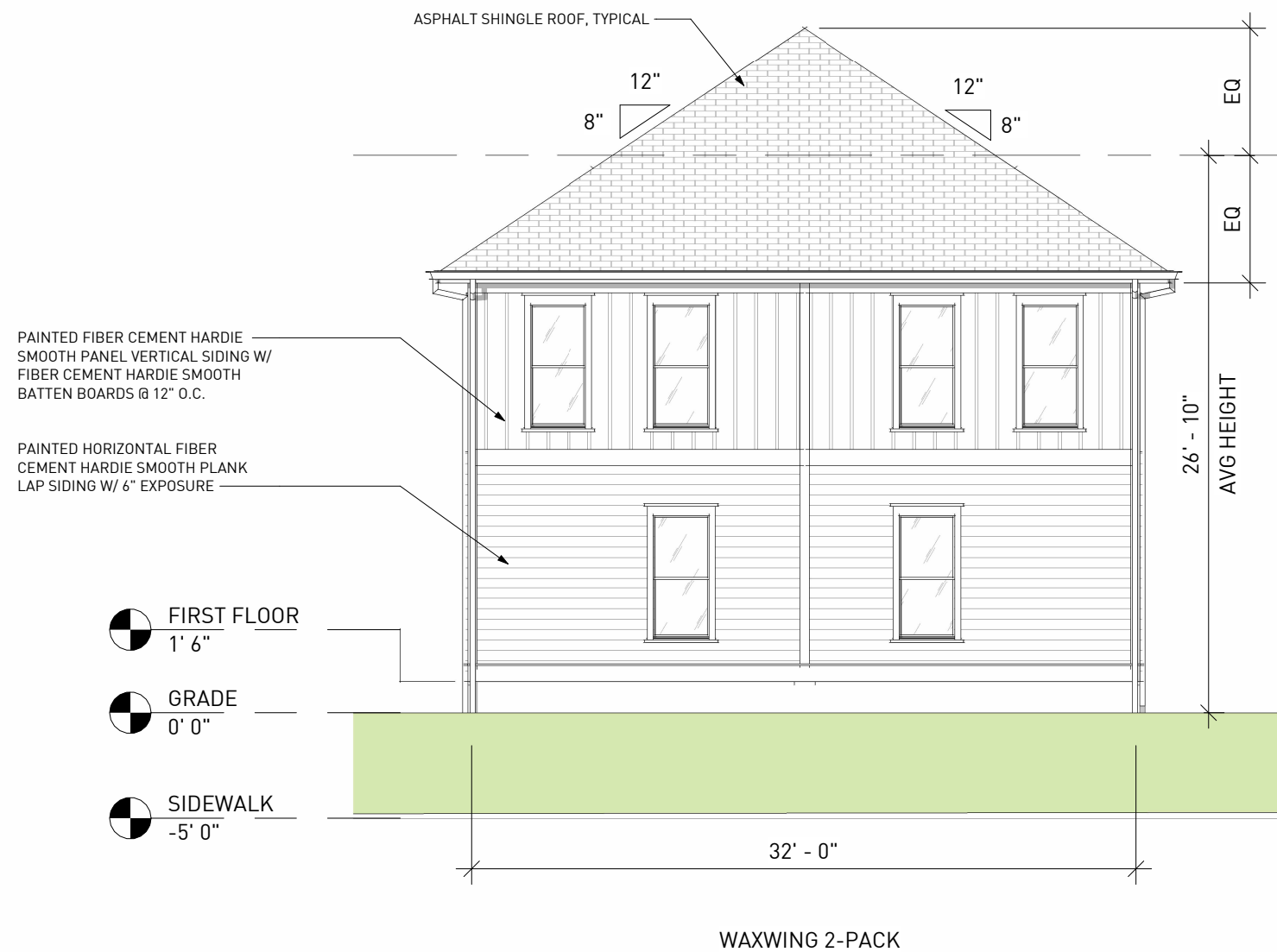
WAXWING 2-PACK

TURTLEDOVE 3-ROW

HIBISCUS 2-PACK

1 BELLEVUE BLVD ELEVATION  
SD-3.4 1/16" = 1'-0"





# **EXHIBIT B - Sources & Uses**

## EXHIBIT B – SOURCES AND USES

| <b>Sources &amp; Uses</b>     |                  |
|-------------------------------|------------------|
| <b>Sources - Construction</b> |                  |
| Equity                        | 655,476          |
| Grants                        | 20,000           |
| TIF Proceeds                  | -                |
| <>                            | -                |
| <>                            | -                |
| Bond                          | -                |
| Subordinate Debt              | 220,000          |
| PACE Loan                     | -                |
| Construction Loan             | 1,902,886        |
| <b>Total Sources</b>          | <b>2,798,362</b> |
| <b>Uses - Construction</b>    |                  |
| Acquisition Costs             | 77,839           |
| Hard Costs                    | 2,058,050        |
| Soft Costs                    | 281,547          |
| Contingency                   | 154,354          |
| Reserves                      | 11,012           |
| Development Fee               | 139,918          |
| Financing                     | 75,642           |
| <b>Total Uses</b>             | <b>2,798,362</b> |

# **EXHIBIT C - Cash Flow Pro Forma**

# EXHIBIT C – CASH FLOW PRO FORMA

## Belle | Mont - Phase 2

### Cashflow Pro Forma

#### WITHOUT PILOT:

|                                    |       | 2027         | 2028            | 2029            | 2030            | 2031            | 2032            | 2033             | 2034             | 2035             | 2036             | 2037             |
|------------------------------------|-------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|
|                                    |       | <u>Yr0</u>   | <u>Yr1</u>      | <u>Yr2</u>      | <u>Yr3</u>      | <u>Yr4</u>      | <u>Yr5</u>      | <u>Yr6</u>       | <u>Yr7</u>       | <u>Yr8</u>       | <u>Yr9</u>       | <u>Yr10</u>      |
| <b>Revenue</b>                     |       |              |                 |                 |                 |                 |                 |                  |                  |                  |                  |                  |
| Gross Income                       |       | 0            | 259,800         | 264,996         | 270,296         | 275,702         | 281,216         | 286,840          | 292,577          | 298,429          | 304,397          | 310,485          |
| Additional Income                  | 5.00% | 0            | 12,990          | 13,250          | 13,515          | 13,785          | 14,061          | 14,342           | 14,629           | 14,921           | 15,220           | 15,524           |
| Vacancy                            | 7.00% | 0            | (19,095)        | (19,477)        | (19,867)        | (20,264)        | (20,669)        | (21,083)         | (21,504)         | (21,934)         | (22,373)         | (22,821)         |
| <b>Effective Revenue</b>           |       | <b>0</b>     | <b>253,695</b>  | <b>258,769</b>  | <b>263,944</b>  | <b>269,223</b>  | <b>274,607</b>  | <b>280,099</b>   | <b>285,701</b>   | <b>291,415</b>   | <b>297,244</b>   | <b>303,189</b>   |
| <b>Operating Expenses</b>          |       |              |                 |                 |                 |                 |                 |                  |                  |                  |                  |                  |
| Management Fees                    | 6.00% | 0            | 15,222          | 15,526          | 15,837          | 16,153          | 16,476          | 16,806           | 17,142           | 17,485           | 17,835           | 18,191           |
| Leasing Fees                       |       | 0            | 7,145           | 7,287           | 7,433           | 7,582           | 7,733           | 7,888            | 8,046            | 8,207            | 8,371            | 8,538            |
| Marketing                          |       | 0            | 1,050           | 1,071           | 1,092           | 1,114           | 1,137           | 1,159            | 1,182            | 1,206            | 1,230            | 1,255            |
| Insurance                          |       | 0            | 6,650           | 6,783           | 6,919           | 7,057           | 7,198           | 7,342            | 7,489            | 7,639            | 7,792            | 7,947            |
| Utilities                          |       | 0            | 3,500           | 3,570           | 3,641           | 3,714           | 3,789           | 3,864            | 3,942            | 4,020            | 4,101            | 4,183            |
| Contract Services                  |       | 0            | 4,200           | 4,284           | 4,370           | 4,457           | 4,546           | 4,637            | 4,730            | 4,824            | 4,921            | 5,019            |
| Maintenance & Repairs              |       | 0            | 4,200           | 4,284           | 4,370           | 4,457           | 4,546           | 4,637            | 4,730            | 4,824            | 4,921            | 5,019            |
| Make Ready                         |       | 0            | 2,450           | 2,499           | 2,549           | 2,600           | 2,652           | 2,705            | 2,759            | 2,814            | 2,871            | 2,928            |
| Admin                              |       | 0            | 2,640           | 2,693           | 2,747           | 2,802           | 2,858           | 2,915            | 2,973            | 3,033            | 3,093            | 3,155            |
| Asset Management                   |       | 0            | 6,555           | 6,555           | 6,555           | 6,555           | 6,555           | 6,555            | 6,555            | 6,555            | 6,555            | 6,555            |
| RE Taxes                           |       | 0            | 38,520          | 39,290          | 40,076          | 40,878          | 41,695          | 42,529           | 43,380           | 44,247           | 45,132           | 46,035           |
| <b>Total Operating Expenses</b>    |       | <b>0</b>     | <b>(92,131)</b> | <b>(93,842)</b> | <b>(95,588)</b> | <b>(97,369)</b> | <b>(99,185)</b> | <b>(101,038)</b> | <b>(102,927)</b> | <b>(104,855)</b> | <b>(106,821)</b> | <b>(108,826)</b> |
| <i>OpEx Ratio</i>                  |       | 0.00%        | 36.32%          | 36.26%          | 36.22%          | 36.17%          | 36.12%          | 36.07%           | 36.03%           | 35.98%           | 35.94%           | 35.89%           |
| <b>Net Operating Income</b>        |       | <b>0</b>     | <b>161,564</b>  | <b>164,926</b>  | <b>168,356</b>  | <b>171,854</b>  | <b>175,422</b>  | <b>179,062</b>   | <b>182,774</b>   | <b>186,561</b>   | <b>190,423</b>   | <b>194,363</b>   |
| Debt Service                       |       | 0            | (170,432)       | (170,432)       | (170,432)       | (170,432)       | (170,432)       | (170,432)        | (170,432)        | (170,432)        | (170,432)        | (170,432)        |
| <b>Debt Service Coverage Ratio</b> |       | <b>0.00x</b> | <b>0.95x</b>    | <b>0.97x</b>    | <b>0.99x</b>    | <b>1.01x</b>    | <b>1.03x</b>    | <b>1.05x</b>     | <b>1.07x</b>     | <b>1.09x</b>     | <b>1.12x</b>     | <b>1.14x</b>     |
| Net Cashflow                       |       | 0            | (8,868)         | (5,506)         | (2,076)         | 1,422           | 4,990           | 8,630            | 12,342           | 16,129           | 19,991           | 23,931           |

**Yield on Cost** 5.77%

**Cash-on-Cash Return (Yr 1)** -1.35%

# EXHIBIT C – CASH FLOW PRO FORMA

## Belle | Mont - Phase 2

### Cashflow Pro Forma

#### WITH PILOT:

|                                    |       | 2027         | 2028            | 2029            | 2030            | 2031            | 2032            | 2033            | 2034            | 2035            | 2036            | 2037            |
|------------------------------------|-------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                    |       | <i>Yr 0</i>  | <i>Yr 1</i>     | <i>Yr 2</i>     | <i>Yr 3</i>     | <i>Yr 4</i>     | <i>Yr 5</i>     | <i>Yr 6</i>     | <i>Yr 7</i>     | <i>Yr 8</i>     | <i>Yr 9</i>     | <i>Yr 10</i>    |
| <b>Revenue</b>                     |       |              |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Gross Income                       |       | 0            | 259,800         | 264,996         | 270,296         | 275,702         | 281,216         | 286,840         | 292,577         | 298,429         | 304,397         | 310,485         |
| Additional Income                  | 5.00% | 0            | 12,990          | 13,250          | 13,515          | 13,785          | 14,061          | 14,342          | 14,629          | 14,921          | 15,220          | 15,524          |
| Vacancy                            | 7.00% | 0            | (19,095)        | (19,477)        | (19,867)        | (20,264)        | (20,669)        | (21,083)        | (21,504)        | (21,934)        | (22,373)        | (22,821)        |
| <b>Effective Revenue</b>           |       | <b>0</b>     | <b>253,695</b>  | <b>258,769</b>  | <b>263,944</b>  | <b>269,223</b>  | <b>274,607</b>  | <b>280,099</b>  | <b>285,701</b>  | <b>291,415</b>  | <b>297,244</b>  | <b>303,189</b>  |
| <b>Operating Expenses</b>          |       |              |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Management Fees                    | 6.00% | 0            | 15,222          | 15,526          | 15,837          | 16,153          | 16,476          | 16,806          | 17,142          | 17,485          | 17,835          | 18,191          |
| Leasing Fees                       |       | 0            | 7,145           | 7,287           | 7,433           | 7,582           | 7,733           | 7,888           | 8,046           | 8,207           | 8,371           | 8,538           |
| Marketing                          |       | 0            | 1,050           | 1,071           | 1,092           | 1,114           | 1,137           | 1,159           | 1,182           | 1,206           | 1,230           | 1,255           |
| Insurance                          |       | 0            | 6,650           | 6,783           | 6,919           | 7,057           | 7,198           | 7,342           | 7,489           | 7,639           | 7,792           | 7,947           |
| Utilities                          |       | 0            | 3,500           | 3,570           | 3,641           | 3,714           | 3,789           | 3,864           | 3,942           | 4,020           | 4,101           | 4,183           |
| Contract Services                  |       | 0            | 4,200           | 4,284           | 4,370           | 4,457           | 4,546           | 4,637           | 4,730           | 4,824           | 4,921           | 5,019           |
| Maintenance & Repairs              |       | 0            | 4,200           | 4,284           | 4,370           | 4,457           | 4,546           | 4,637           | 4,730           | 4,824           | 4,921           | 5,019           |
| Make Ready                         |       | 0            | 2,450           | 2,499           | 2,549           | 2,600           | 2,652           | 2,705           | 2,759           | 2,814           | 2,871           | 2,928           |
| Admin                              |       | 0            | 2,640           | 2,693           | 2,747           | 2,802           | 2,858           | 2,915           | 2,973           | 3,033           | 3,093           | 3,155           |
| Asset Management                   |       | 0            | 6,555           | 6,555           | 6,555           | 6,555           | 6,555           | 6,555           | 6,555           | 6,555           | 6,555           | 6,555           |
| RE Taxes                           |       | 0            | 38,520          | 38,520          | 38,520          | 38,520          | 38,520          | 38,520          | 38,520          | 38,520          | 38,520          | 38,520          |
| PILOT Tax Abatement                |       | 0            | (28,212)        | (28,212)        | (28,212)        | (28,212)        | (28,212)        | (28,212)        | (28,212)        | (28,212)        | (28,212)        | (28,212)        |
| <b>Total Operating Expenses</b>    |       | <b>0</b>     | <b>(63,919)</b> | <b>(64,860)</b> | <b>(65,820)</b> | <b>(66,799)</b> | <b>(67,798)</b> | <b>(68,816)</b> | <b>(69,855)</b> | <b>(70,915)</b> | <b>(71,996)</b> | <b>(73,099)</b> |
| <i>OpEx Ratio</i>                  |       | <i>0.00%</i> | <i>25.20%</i>   | <i>25.06%</i>   | <i>24.94%</i>   | <i>24.81%</i>   | <i>24.69%</i>   | <i>24.57%</i>   | <i>24.45%</i>   | <i>24.33%</i>   | <i>24.22%</i>   | <i>24.11%</i>   |
| <b>Net Operating Income</b>        |       | <b>0</b>     | <b>189,776</b>  | <b>193,909</b>  | <b>198,124</b>  | <b>202,424</b>  | <b>206,810</b>  | <b>211,283</b>  | <b>215,846</b>  | <b>220,500</b>  | <b>225,247</b>  | <b>230,090</b>  |
| Debt Service                       |       | 0            | (170,432)       | (170,432)       | (170,432)       | (170,432)       | (170,432)       | (170,432)       | (170,432)       | (170,432)       | (170,432)       | (170,432)       |
| <b>Debt Service Coverage Ratio</b> |       | <b>0.00x</b> | <b>1.11x</b>    | <b>1.14x</b>    | <b>1.16x</b>    | <b>1.19x</b>    | <b>1.21x</b>    | <b>1.24x</b>    | <b>1.27x</b>    | <b>1.29x</b>    | <b>1.32x</b>    | <b>1.35x</b>    |
| Net Cashflow                       |       | 0            | 19,344          | 23,477          | 27,692          | 31,992          | 36,378          | 40,851          | 45,414          | 50,068          | 54,815          | 59,658          |

Yield on Cost **6.78%**

Cash-on-Cash Return (Yr 1) **2.95%**

# **EXHIBIT D - Project Budget**

## EXHIBIT D - BUDGET

| <b>Cost Summary</b>              |          |              |                |            |                |                  |
|----------------------------------|----------|--------------|----------------|------------|----------------|------------------|
| Item                             |          | Unit Costs   | % Costs        | Per GBSF   | Per Unit       | Amount           |
| <b>Construction</b>              |          |              |                |            |                |                  |
| Sitework                         | Estimate | 15.00/SF     | 17.51%         | 39         | 35,004         | 490,050          |
| Apartments                       | Estimate | 112,000/Unit | 56.03%         | 124        | 112,000        | 1,568,000        |
| Parking                          | Estimate | 0/Space      | 0.00%          | -          | -              | -                |
| Commercial Shell                 | Estimate | 150/SF       | 0.00%          | -          | -              | -                |
| Indirects                        | Estimate | 0.00%        | 0.00%          | -          | -              | -                |
| <b>Hard Costs Total</b>          |          |              | <b>73.54%</b>  | <b>163</b> | <b>147,004</b> | <b>2,058,050</b> |
| HC Contingency                   |          | 7.50%        | 5.52%          | 12         | 11,025         | 154,354          |
| Soft Costs                       | Estimate | 13.00%       | 9.56%          | 21         | 19,110         | 267,547          |
| SC Contingency                   |          | 0.00%        | 0.00%          | -          | -              | -                |
| TIs                              |          | 75.00/SF     | 0.00%          | -          | -              | -                |
| FF&E                             |          | 1,000/Unit   | 0.50%          | 1          | 1,000          | 14,000           |
| <b>Total Construction Costs</b>  |          |              | <b>89.12%</b>  | <b>198</b> | <b>178,139</b> | <b>2,493,950</b> |
| Acquisition Costs                |          |              | 1.89%          | 4          | 3,774          | 52,839           |
| Closing Costs                    |          |              | 0.89%          | 2          | 1,786          | 25,000           |
| Cash Reserves                    |          |              | 0.39%          | 1          | 787            | 11,012           |
| Developer Fee                    |          | 5.0%         | 5.00%          | 11         | 9,994          | 139,918          |
| <b>Total Costs w/o Financing</b> |          |              | <b>97.30%</b>  | <b>216</b> | <b>194,480</b> | <b>2,722,720</b> |
| Interest During Construction     |          |              | 1.60%          | 4          | 3,207          | 44,899           |
| Fees                             |          |              | 1.10%          | 2          | 2,196          | 30,743           |
| <b>Financing Costs Total</b>     |          |              | <b>2.70%</b>   | <b>6</b>   | <b>5,403</b>   | <b>75,642</b>    |
| <b>Total costs w/ Financing</b>  |          |              | <b>100.00%</b> | <b>222</b> | <b>199,883</b> | <b>2,798,362</b> |
| <b>Total Project Contingency</b> |          |              | <b>5.52%</b>   | <b>12</b>  | <b>11,025</b>  | <b>154,354</b>   |

# **EXHIBIT E - PILOT Request**

## EXHIBIT E – PILOT Request & Calculations

|                                                                     |                    |
|---------------------------------------------------------------------|--------------------|
| <b>DMC PILOT</b>                                                    |                    |
| <b>PILOT Request</b>                                                |                    |
| Requested PILOT Term (years)                                        | 10.0               |
| Project Type                                                        | New Construction   |
| Located in the CBID?                                                | No                 |
| <b>Current Amounts</b>                                              |                    |
| Base Appraisal                                                      | \$49,684           |
| Base Assessment                                                     | \$19,874           |
| Annual City Tax on Base Assessment                                  | \$513              |
| Annual County Tax on Base Assessment                                | \$537              |
| <b>Annual RE Taxes on Base Assessment</b>                           | <b>\$1,050</b>     |
| <b>Project Costs</b>                                                |                    |
| Acquisition Cost                                                    | \$52,839           |
| Hard Costs                                                          | \$2,212,404        |
| Soft Costs                                                          | \$505,330          |
| <b>Total Project Costs w/o PILOT fee</b>                            | <b>\$2,770,573</b> |
| <b>Hard Costs Investment Check - 79.9%</b>                          | <b>YES</b>         |
| Public grants eligible for PILOT fee basis reduction                | \$0                |
| PILOT fee basis                                                     | \$2,770,573        |
| <b>PILOT fee</b>                                                    | <b>\$27,706</b>    |
| <b>Total Project Costs w/ PILOT fee</b>                             | <b>\$2,798,278</b> |
| <b>Valuation &amp; CBID Assessment</b>                              |                    |
| Base Appraisal                                                      | \$49,684           |
| Percentage of Hard Costs                                            | \$1,769,923        |
| Estimated Appraisal after Improvements                              | \$1,819,607        |
| <b>Estimated Assessment after Improvements</b>                      | <b>\$727,843</b>   |
| <b>Estimated Annual CBID Assessment after Improvements</b>          | <b>\$0</b>         |
| <b>Annual RE Taxes</b>                                              |                    |
| <i>Hypothetical annual taxes without PILOT*</i>                     |                    |
| Estimated Hypothetical Annual City Tax without PILOT*               | \$18,784           |
| Estimated Hypothetical Annual County Tax without PILOT*             | \$19,669           |
| <b>Estimated Hypothetical Total Annual Taxes without PILOT*</b>     | <b>\$38,453</b>    |
| <i>Estimated annual taxes with PILOT</i>                            |                    |
| Estimated Annual City Tax with PILOT                                | \$5,081            |
| Estimated Annual County Tax with PILOT                              | \$5,320            |
| <b>Estimated Total Annual Taxes with PILOT</b>                      | <b>\$10,401</b>    |
| <b>Estimated Annual Benefit</b>                                     | <b>\$28,053</b>    |
| <b>Cumulative RE Taxes</b>                                          |                    |
| <i>Hypothetical cumulative taxes without PILOT*</i>                 |                    |
| Estimated Hypothetical Cumulative City Tax without PILOT*           | 187,842            |
| Estimated Hypothetical Cumulative County Tax without PILOT*         | 196,691            |
| <b>Estimated Hypothetical Total Cumulative Taxes without PILOT*</b> | <b>384,533</b>     |
| <i>Estimated cumulative taxes with PILOT</i>                        |                    |
| Estimated Cumulative City Tax with PILOT                            | 50,807             |
| Estimated Cumulative County Tax with PILOT                          | 53,201             |
| <b>Estimated Total Cumulative Taxes with PILOT</b>                  | <b>104,008</b>     |
| <b>Estimated Cumulative Benefit over 10-Year PILOT</b>              | <b>280,525</b>     |
| <b>Estimated Cumulative Increase in Taxes due to PILOT</b>          | <b>\$93,508</b>    |

# APPENDICES

## Appendix I – PILOT Grading

A project must meet at least one primary qualification category in order to be eligible for any applicable secondary qualifications and/or additional term accumulation. Exceptions for projects that further the priorities of the CCRFC may be granted at the discretion of the CCRFC board.

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

#### TOTAL PROJECT DEVELOPMENT COST

|                     |         |
|---------------------|---------|
| \$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

##### General Location

|                                                                  |         |
|------------------------------------------------------------------|---------|
| 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  |
| 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) Certification:                                  | 4 Years |
| Net Zero Energy Building (NZEB) 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:

3

Secondary Qualification A:

0

Secondary Qualification B:

0

Secondary Qualification C:

0

Total Project Development Cost:

1

CCRFC Priorities:

5

**PILOT TERM:**

9