

**BOND APPLICATION
MEMPHIS CENTER CITY
REVENUE FINANCE CORPORATION**

1. Applicant: 100 N Main, LLC
Company's Name: 100 N Main, LLC
Mailing Address: 495 Tennessee Street, Suite 152
Memphis, TN 38103
Phone: 901-794-9494 Fax: Email: mmclaughlin@towerventures.com
Federal Employer Identification Number: 87-4675282
Company representative to be contacted:
Name and Title: Kevin Woods, Manager
Mailing Address: 495 Tennessee Street, Suite 152
Memphis, TN 38103
Phone: 901-212-3868 Fax: Email: kevindwoods@gmail.com

2. Describe the principal business of Applicant and its legal status. Briefly describe Applicant's corporate or other legal structure and identify its state of organization. If Applicant is a foreign entity, is it registered to do business in Tennessee? 100 N Main, LLC, a Tennessee Limited Liability Company, is a real estate development group led by Kevin Woods, William Orgel, Jay Lindy, Adam Slovis, Michael McLaughlin.

3. Briefly describe the proposed Project.

The Project involves the full renovation of existing structures for conversion to a new use: Four Star Hotel: 160 rooms with 8,000 sq. feet of meeting space; Residential Units: 194 -200 Units to consist of a to be determined number of Two Bedroom/One Bedroom units; Office space - approximately 80,000 sq/ft; Retail/commercial space - approximately 11,000 sq./ft and Parking – 378 spaces.

4. State the proposed location of the Project by street address and legal description.

100 North Main Street, Memphis, TN 38103

Who owns the real property at this time?

Downtown Mobility Authority (DMA)

Does Applicant have an option to purchase the property if not already owned by Applicant?

N/A

Are there presently outstanding any options or liens with regard to the property? If so, describe.

N/A

5. (a) State the estimated Project costs broken down by components (i.e. land, buildings, equipment, soft costs, etc.) If available, attach third part cost estimates or bids. *Attached

(b) State the principal amount of Bonds the Board will be requested to issue; whether tax-exempt or taxable, the proposed terms of such Bonds, including expected interest rate and maturity, and the proposed security therefore. *Attached

6. State the proposed procedure for sale of the Bonds (i.e., public or private sale). Name all principal underwriters, fiscal agents, promoters, or consultants, who will act in connection with the issue, including their addresses, telephone numbers, and individuals familiar with the issue. If no underwriter is to be involved, name the proposed purchaser(s) of the Bonds and the addresses, telephone numbers, email addresses and names of individual representatives of the purchaser(s) familiar with the financing. Attach a copy of the bond purchaser's commitment letter. *Attached

7. Name any Bond Counsel, Underwriter's Counsel, or Bond Purchaser's Counsel who will be involved with the issue, with addresses, telephone numbers and email addresses.

Bond Counsel: Charles Carpenter

Mailing Address: 386 Beale Street

Memphis, TN 38103

Phone: 901-523-7788 Fax: _____ Email: charlesc@386beale.com

Underwriter's Counsel: To Be Determined

Mailing Address: _____

Phone: _____ Fax: _____ Email: _____

Bond Purchaser's Counsel: To Be Determined

Mailing Address: _____

Phone: _____ Fax: _____ Email: _____

Other / Describe: _____

Mailing Address: _____

Phone: _____ Fax: _____ Email: _____

8. Name any Company Counsel, engineers, architects, financial consultants, or other professionals who will be involved in the Project, with addresses, telephone numbers and email addresses.

Company Counsel: Jay Lindy

Mailing Address: 495 Tennessee Street, Suite 152

Memphis, TN 38103

Phone: 901-277-8297 Fax: _____ Email: jlindy@towerventures.com

Architects / Engineers: HBG Design, LLC

Mailing Address: One Commerce Square

40 South Main Street, Suite 2300

Memphis, TN 38103

Phone: 901-525-2557 Fax: _____ Email: _____

Financial Consultants: PFM Financial Advisors, LLC

Mailing Address: 530 Oak Court Dr., Suite 160

Memphis, TN 38117

Phone: 901-682-8356 Fax: _____ Email: browna@pfm.com

Other (specify): _____

Mailing Address: _____

Phone: _____ Fax: _____ Email: _____

9. Name the indenture trustee (if any) that will act with regard to the issue (with address, telephone number, email address and contact person).

To Be Determined

10. State the anticipated use of Bond proceeds in detail, including all anticipated underwriting or similar fees, trustee's acceptance fees and similar charges.

*Attached

Uses:	Amounts:
<u>Project Fund</u>	<u>\$</u>
<u>Debt Reserve Fund</u>	<u>\$</u>
<u>Capitalized Interest</u>	<u>\$</u>
<u>Cost of Issuance</u>	<u>\$</u>
<u>Total:</u>	<u>\$</u>

11. Attach as an exhibit a five-year pro forma cash-flow statement for the Project, which should include information showing how the Bond indebtedness will be serviced. *Attached

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

- (a) closing of the loan or bond issue: Third Quarter 2024
- (b) first expenditure of funds with regard to the Project: 1/15/2022
- (c) anticipated date construction begins: Third Quarter 2024
- (d) completion date of Project: First Quarter 2027

13. Attach the last five (5) years audited financial statements of Applicant and the most recent interim statements with regard to Applicant. If the Applicant does not have audited financial statements, unaudited statements and a current year audited statement or balance sheet must be submitted. If any party, including an individual or individuals, will guarantee the financing, financial statements for these parties must also be submitted. Has Applicant or any Sponsor changed accounting firms within the past five years? If so, please explain. If any Applicant or its parent is a reporting company, attach the most recent Form 10-K's, 10-Q's, and any subsequent Form 8-K's. Give names and addresses of three credit references. (At least one should be a bank.) N/A

14. Is any materially significant litigation pending or threatened against the Applicant or any underwriter, promoter, fiscal agent, or consultant involved in this financing or the Project or against any officer or director of any of the above? If so, describe. N/A

Has the Applicant or any underwriter, promoter, fiscal agent, or consultant, or any officer or director thereof, ever been charged with or convicted of any civil or criminal offense regarding or growing out of the issuance, sale or solicitation for sale of any type of security or has any such person been convicted or is any such person presently under indictment or complaint alleging commission of a felony or misdemeanor involving moral turpitude in any court? If so, supply a detailed explanation of any such suit, action conviction or indictment. N/A

APPLICATION REPRESENTATIONS AND COVENANTS

This Application is made in order to induce Memphis Center City Revenue Finance Corporation (the "Board"), to grant financial incentives to the Applicant. Applicant represents that the statements contained herein are true and correct and include all information materially significant to the Board in its consideration of this Application.

Applicant has read and agrees to comply with all requirements of the Application Procedures and Policies of the Board. Applicant specifically agrees to pay all reasonable costs, fees, and expenses incurred by the Board in connection with the Application whether or not the financial incentives are granted or the project is built. In the event any proposed bond financing closes, Applicant agrees to annually pay its proportionate share (based on total bonds outstanding) of the costs of directors' and officers' liability insurance, if any is ever obtained by the Board, or carried while the Bonds are outstanding.

Applicant: 

By Michael McLaughlin
Its: CFO

ATTACHMENT A
ESTIMATED PROJECT COSTS

**100 NORTH MAIN SOURCE AND USES
1/20/2024**

SOURCES OF FUNDS	OVERALL	NOTES
Project Debt 100 North Main	145,119,280	Assumes 6.25% Interest, 35 Yr Amortization
Equity	48,000,000	50% Local Investors, 50% Block Real Estate Funds
Historic Tax Credits	43,306,228	NTCIC
TDZ/Surcharge Bonding	21,304,491	Assumes 5.5% Interest, 30 Yr Amortization
Accelerate Memphis	10,000,000	
DMA Purchase Price Credit	3,750,000	Reduction of purchase price for pre- development expenses
HUD 108 Financing	6,000,000	
EDGE Loan	5,000,000	
TOTAL SOURCES OF FUNDS	282,480,000	
USES OF FUNDS		
Land	5,000,000	DMA/City Purchase Offer for Phase I
Construction Costs	217,281,316	\$34.8MM overage from RFP
Project Contingencies	21,185,932	
Soft Costs	21,429,522	Includes A&E, Overhead, Developer Fee, and Construction Management
PILOT Fee	1,000,000	
Financing Fees	15,295,633	Includes Construction Interest (8.5%)
Professional Fees	1,287,596	Taxes, Accounting, Legal, & Marketing
TOTAL USES OF FUNDS	282,480,000	
NET CASH FLOW	0	

The Financial Forecast is based on certain assumptions and not on performance. *

ATTACHMENT D
PROFORMA CASH FLOW STATEMENT

100 NORTH MAIN, LLC

FINANCIAL UPDATE

Saturday, January 20, 2024

100 NORTH MAIN SOURCE AND USES
1/20/2024

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Accelerate Memphis	10,000,000	
	3,750,000	Reduction of purchase price for pre- development expenses
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Financing Fees	15,295,633	Includes Construction Interest (8.5%)
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TOTAL USES OF FUNDS	282,480,000	
NET CASH FLOW	0	

The Financial Forecast is based on certain assumptions and not on performance. *

100 NORTH MAIN PRO FORMA P&L
1/20/2024

	<u>Annual</u>	<u>Notes</u>
Leasing Revenue		
MultiFamily	\$4,401,148	\$2.25 Sq Ft, Average Unit 815 Sq Ft ADR: \$264, 72% Occupancy City Lease 378 Spaces Hotel Food & Beverage, Multi Family Bulk Cable, Water Reimbursement 6% Residential
Hotel	\$10,682,437	
Commercial	\$4,156,818	
Parking	\$718,976	
Other Revenue	\$5,012,418	
Vacancy Assumptions	(\$264,069)	
Net Revenue	\$24,707,728	
Expenses		
Total Payroll	\$419,040	Building Staff Only
General and Admin	\$174,600	
Marketing	\$116,400	
Utilities	\$688,763	Common Areas
Insurance	\$252,000	Non CAM Reimbursable
Management Fee	\$386,294	Multi Family Only, Hotel blended in Hotel Expenses and Commercial is netted with CAM
Hotel Expenses	\$7,760,814	Includes Food and Beverage, Management Fee and Brand Fees
Repair and Maintenance	\$83,808	
Accounting and Overhead	\$191,547	
Parking Expenses	\$69,788	
F&E	\$823,001	
Other Financing	\$253,362	
Common Area	\$361,556	Non CAM expenses
Total Expenses	\$11,580,973	
Net Operating Income	\$13,126,756	
Debt Service		
Principal	\$1,181,551	Year One Principal
Interest	\$9,041,983	Year One Interest
Total Debt Service	\$10,223,534	
Property Taxes Without PILOT	\$3,582,064	
NET CASH FLOW WITHOUT PILOT	(\$678,842)	
PILOT Adjustment	\$2,460,764	
NET CASH FLOW WITH PILOT	\$1,781,922	

*Assumes Income and Expenses escalate annually at 1%

**100 NORTH MAIN PROJECTED SUMMARY OF CASH FLOWS
1/20/2024**

Project Cash flow Assumptions	2027 ⁽¹⁾	2028	2029	2030	2031
Proj Gross Annual Rental Revenues	\$ 18,149,781	\$ 24,562,703	\$ 24,931,144	\$ 25,305,111	\$ 25,684,688
Less Vacancy <i>(assumes 6% apartments)</i>	\$ (192,241)	\$ (258,885)	\$ (261,474)	\$ (264,088)	\$ (266,729)
Less Operating Expenses	\$ (8,685,729)	\$ (11,580,973)	\$ (11,696,782)	\$ (11,813,750)	\$ (11,931,888)
Less Property Taxes	\$ (2,686,548)	\$ (3,582,064)	\$ (3,617,885)	\$ (3,654,063)	\$ (3,690,604)
Estimated NOI W/O PILOT:	\$ 6,585,262	\$ 9,140,782	\$ 9,355,004	\$ 9,573,209	\$ 9,795,467
Estimated NOI W/ PILOT:	\$ 8,793,729	\$ 11,601,546	\$ 11,851,588	\$ 12,105,972	\$ 12,364,771
Less Annual Debt Service	\$ (6,802,466)	\$ (9,069,955)	\$ (9,839,008)	\$ (10,223,534)	\$ (10,223,534)
WITHOUT PILOT					
Cash Available for Distribution	\$ (217,204)	\$ 70,827	\$ (484,004)	\$ (650,325)	\$ (428,067)
DSC Ratio	0.68	0.90	0.93	0.95	0.97
Cash flow Return on Equity	0.30%	0.34%	-0.77%	-1.08%	-0.58%
WITH PILOT					
Cash Available for Distribution	\$ 1,991,262	\$ 2,531,591	\$ 2,012,580	\$ 1,882,438	\$ 2,141,237
DSC Ratio	0.86	1.14	1.17	1.20	1.22
Cash flow Return on Equity	4.15%	5.47%	4.43%	4.20%	4.78%

(1) Partial Year Beginning April, 2027

Project Cash flow Assumptions	2032	2033	2034	2035	2036
Proj Gross Annual Rental Revenues	\$ 25,941,535	\$ 26,200,950	\$ 26,462,960	\$ 26,727,589	\$ 26,994,865
Less Vacancy <i>(assumes 6% apartments)</i>	\$ (269,397)	\$ (272,091)	\$ (274,811)	\$ (277,560)	\$ (280,335)
Less Operating Expenses	\$ (12,051,207)	\$ (12,171,719)	\$ (12,293,436)	\$ (12,416,370)	\$ (12,540,534)
Less Property Taxes	\$ (3,727,510)	\$ (3,764,785)	\$ (3,802,433)	\$ (3,840,457)	\$ (3,878,862)
Estimated NOI W/O PILOT:	\$ 9,893,422	\$ 9,992,356	\$ 10,092,279	\$ 10,193,202	\$ 10,295,134
Estimated NOI W/ PILOT:	\$ 12,499,631	\$ 12,635,841	\$ 12,773,412	\$ 12,912,359	\$ 13,052,696
Less Annual Debt Service	\$ (10,223,534)	\$ (10,223,534)	\$ (10,223,534)	\$ (10,223,534)	\$ (10,223,534)
WITHOUT PILOT					
Cash Available for Distribution	\$ (330,112)	\$ (231,178)	\$ (131,255)	\$ (30,332)	\$ 71,600
DSC Ratio	0.98	1.00	1.01	1.02	1.03
Cash flow Return on Equity	-21.00%	-0.08%	0.17%	0.42%	0.68%
WITH PILOT					
Cash Available for Distribution	\$ 2,276,097	\$ 2,412,307	\$ 2,549,878	\$ 2,688,825	\$ 2,829,162
DSC Ratio	1.24	1.25	1.27	1.29	1.30
Cash flow Return on Equity	-15.57%	5.42%	5.75%	6.09%	6.42%

Project Cash flow Assumptions	2037	2038	2039	2040	2041
Proj Gross Annual Rental Revenues	\$ 27,264,814	\$ 27,537,462	\$ 27,812,837	\$ 28,090,965	\$ 28,371,875
Less Vacancy <i>(assumes 6% apartments)</i>	\$ (283,138)	\$ (285,970)	\$ (288,830)	\$ (291,718)	\$ (294,635)
Less Operating Expenses	\$ (12,665,939)	\$ (12,792,599)	\$ (12,920,525)	\$ (13,049,730)	\$ (13,180,227)
Less Property Taxes	\$ (3,917,650)	\$ (3,956,827)	\$ (3,996,395)	\$ (4,036,359)	\$ (4,076,723)
Estimated NOI W/O PILOT:	\$ 10,398,086	\$ 10,502,066	\$ 10,607,087	\$ 10,713,158	\$ 10,820,290
Estimated NOI W/ PILOT:	\$ 13,194,436	\$ 13,337,593	\$ 13,482,182	\$ 13,628,217	\$ 13,775,712
Less Annual Debt Service	\$ (10,223,534)	\$ (10,223,534)	\$ (10,223,534)	\$ (10,223,534)	\$ (10,223,534)
WITHOUT PILOT					
Cash Available for Distribution	\$ 174,552	\$ 278,533	\$ 383,553	\$ 489,624	\$ 596,756
DSC Ratio	1.04	1.09	1.11	1.12	1.13
Cash flow Return on Equity	0.93%	2.01%	2.27%	2.54%	2.81%
WITH PILOT					
Cash Available for Distribution	\$ 2,970,902	\$ 3,114,059	\$ 3,258,648	\$ 3,404,683	\$ 3,552,178
DSC Ratio	1.32	1.37	1.39	1.40	1.42
Cash flow Return on Equity	6.76%	7.92%	8.26%	8.61%	8.97%

**100 NORTH MAIN PROJECTED SUMMARY OF CASH FLOWS
1/20/2024**

Project Cash flow Assumptions	2042	2043	2044	2045	2046
Proj Gross Annual Rental Revenues	\$ 28,655,593	\$ 28,942,149	\$ 29,231,571	\$ 29,523,886	\$ 29,819,125
Less Vacancy <i>(assumes 6% apartments)</i>	\$ (297,581)	\$ (300,557)	\$ (303,563)	\$ (306,598)	\$ (309,664)
Less Operating Expenses	\$ (13,312,029)	\$ (13,445,150)	\$ (13,579,601)	\$ (13,715,397)	\$ (13,852,551)
Less Property Taxes	\$ (4,117,490)	\$ (4,158,665)	\$ (4,200,252)	\$ (4,242,254)	\$ (4,284,677)
Estimated NOI W/O PILOT:	\$ 10,928,492	\$ 11,037,777	\$ 11,148,155	\$ 11,259,637	\$ 11,372,233
Estimated NOI W/ PILOT:	\$ 13,924,682	\$ 14,075,142	\$ 14,227,106	\$ 14,380,591	\$ 14,535,609
Less Annual Debt Service	\$ (10,223,534)	\$ (10,223,534)	\$ (10,223,534)	\$ (10,223,534)	\$ (10,223,534)
WITHOUT PILOT					
Cash Available for Distribution	\$ 704,959	\$ 814,243	\$ 924,621	\$ 1,036,103	\$ 1,148,699
DSC Ratio	1.14	1.16	1.17	1.18	1.20
Cash flow Return on Equity	3.08%	3.35%	3.63%	3.91%	4.19%
WITH PILOT					
Cash Available for Distribution	\$ 3,701,148	\$ 3,851,608	\$ 4,003,573	\$ 4,157,057	\$ 4,312,075
DSC Ratio	1.44	1.45	1.47	1.49	1.51
Cash flow Return on Equity	9.32%	9.68%	10.04%	10.41%	10.78%

Project Cash flow Assumptions	2047	2048	2049	2050	2051
Proj Gross Annual Rental Revenues	\$ 30,117,317	\$ 30,719,663	\$ 31,334,056	\$ 31,960,737	\$ 32,599,952
Less Vacancy <i>(assumes 6% apartments)</i>	\$ (312,761)	\$ (315,889)	\$ (319,048)	\$ (322,238)	\$ (325,460)
Less Operating Expenses	\$ (13,991,077)	\$ (14,130,987)	\$ (14,272,297)	\$ (14,415,020)	\$ (14,559,170)
Less Property Taxes	\$ (4,327,523)	\$ (4,370,799)	\$ (4,414,507)	\$ (4,458,652)	\$ (4,503,238)
Estimated NOI W/O PILOT:	\$ 11,485,955	\$ 11,901,988	\$ 12,328,205	\$ 12,764,827	\$ 13,212,083
Estimated NOI W/ PILOT:	\$ 14,692,179	\$ 15,151,486	\$ 15,621,411	\$ 16,102,179	\$ 16,594,021
Less Annual Debt Service	\$ (10,223,534)	\$ (10,223,534)	\$ (10,223,534)	\$ (10,223,534)	\$ (10,223,534)
WITHOUT PILOT					
Cash Available for Distribution	\$ 1,262,421	\$ 1,678,454	\$ 2,104,671	\$ 2,541,293	\$ 2,988,549
DSC Ratio	1.12	1.16	1.21	1.25	1.29
Cash flow Return on Equity	4.48%	5.39%	6.33%	7.29%	8.27%
WITH PILOT					
Cash Available for Distribution	\$ 4,468,645	\$ 4,927,953	\$ 5,397,877	\$ 5,878,645	\$ 6,370,487
DSC Ratio	1.52	1.57	1.62	1.67	1.72
Cash flow Return on Equity	11.16%	12.16%	13.19%	14.24%	15.32%

Project Cash flow Assumptions	2052	2053	2054
Proj Gross Annual Rental Revenues	\$ 33,251,951	\$ 33,916,990	\$ 34,595,330
Less Vacancy <i>(assumes 6% apartments)</i>	\$ (328,715)	\$ (332,002)	\$ (335,322)
Less Operating Expenses	\$ (14,704,762)	\$ (14,851,810)	\$ (15,000,328)
Less Property Taxes	\$ (4,548,271)	\$ (4,593,753)	\$ (4,639,691)
Estimated NOI W/O PILOT:	\$ 13,670,203	\$ 14,139,425	\$ 14,619,989
Estimated NOI W/ PILOT:	\$ 17,097,174	\$ 17,611,878	\$ 18,138,379
Less Annual Debt Service	\$ (10,223,534)	\$ (10,223,534)	\$ (10,223,534)
WITHOUT PILOT			
Cash Available for Distribution	\$ 3,446,669	\$ 3,915,891	\$ 4,396,455
DSC Ratio	1.34	1.38	1.43
Cash flow Return on Equity	9.28%	10.30%	11.36%
WITH PILOT			
Cash Available for Distribution	\$ 6,873,640	\$ 7,388,344	\$ 7,914,846
DSC Ratio	0.00	0.00	0.00
Cash flow Return on Equity	16.42%	17.54%	18.69%

***30 Year PILOT Ends in 2054**

ATTACHMENT E
BOND DEBT SERVICE

SOURCES AND USES OF FUNDS

100 N Main 5% Surcharge Series 2024 Financing EXAMPLE: SEE FOOTNOTES BELOW

Dated Date 09/01/2024
Delivery Date 09/01/2024

Sources:	Series 2024A Surcharge Bonds	Series 2024B Lease Bonds	Total
Bond Proceeds:			
Par Amount	24,890,000.00	16,185,000.00	41,075,000.00
	24,890,000.00	16,185,000.00	41,075,000.00
<hr/>			
Uses:	Series 2024A Surcharge Bonds	Series 2024B Lease Bonds	Total
Project Fund Deposits:			
Project Fund	19,049,440.29	14,181,704.50	33,231,144.79
Other Fund Deposits:			
Capitalized Interest Fund	3,117,930.67	1,679,595.50	4,797,526.17
Debt Service Reserve Fund	2,224,829.04		2,224,829.04
	5,342,759.71	1,679,595.50	7,022,355.21
Delivery Date Expenses:			
Cost of Issuance	248,900.00	161,850.00	410,750.00
Underwriter's Discount	248,900.00	161,850.00	410,750.00
	497,800.00	323,700.00	821,500.00
	24,890,000.00	16,185,000.00	41,075,000.00

Notes:

***Preliminary, Subject to Change - Priced to amortize over 30 years**

2024A Bonds rate based on 03/01/24 Treasury + 100bps
 Surcharge tax levied 30 years from date operations commence at QPUF
 Term of 2024A Bonds sized for 30 years after 7/1/27
 2024B Bonds rate based on 03/01/24 Treasuries + Aa3 Spread
 2024A Capitalized Interest through 4/1/2027
 2024B Capitalized Interest through 8/1/2026
 DSRF and CAPI invested at 2% annually
 COI and Underwriter's Discount assumed at \$10/bond
 NO DSRF assumed for 2024B Bonds
 Series 2024A Bonds sized at 125% debt service coverage ratio
 Series 2024A Bonds sized at 100% debt service coverage ratio