

Wheatley Provident

EXHIBIT 6B
LCRA 7/28/21

**Redevelopment Project Application to
the
Economic Development Corporation of
Kansas City
Tax Abatement Request**



ATTACHMENT A: MAP



The building has been vacant since approximately 1996. The overall shell of the building, and north building have remained relatively stable, however, the interior of the south building has been damaged over the past 20 + years due to the previous owner rolling back the roof. Due to interior damage, length of vacancy, and the accumulation of 12 tons of debris within the building pre-development has been, and continues to be, a process of peeling away at challenges in order to develop the most accurate and cost effective scope for the development.

To that end, in January 2020 the development team closed a Predevelopment/ Phase 1 loan with Enterprise Bank to do the following bulleted below.

Please note that obtaining financing for the first phase was based on a final construction model and pro-forma utilizing hoping for a tax abatement as it is critical to the financing structure that will allow development to develop a quality building and attract the right tenant that will enhance the community:

PHASE 1

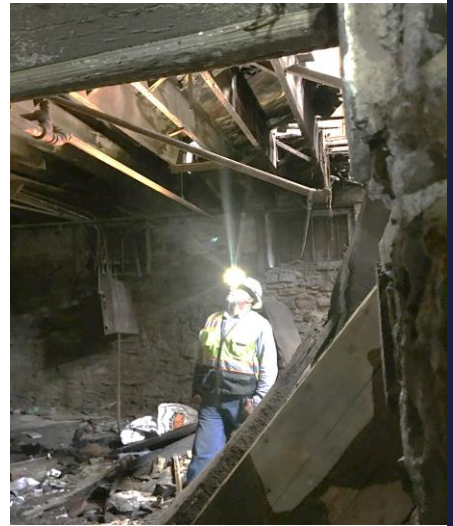
Complete:

- Remove site debris, remove shrubbery
- Clean out interior North Building
- Securing the site and building
- Structural Engineering Study
- Phase 1 Environmental
- Historic Tax Credit, National Register Nomination
- Environmental remediation

In process:

- Shoring and stabilization of South Building,
- Cleanout of interior south building
- Design work ,scope sufficient to get building dried in
- A new roof and/or temporary roof
- Tuckpointing and exterior wall repair
- South building interior demolition
- Architecture & Engineering studies , schematic plans

Attachment B: Construction



PHASE 2

Pre-development and Phase I are designed to get the building stabilized, dried in, and in condition for design teams to complete studies for schematic drawings and plans.

The final construction timeline will be completed after we have secured firm leases for a pre-determined percentage of the building .Our target for final construction is to build “to suite” for a long term tenant that will have positive socioeconomic impact. This will allow us to maximize the use of incentives to secure and retain the right user to this market.

We continue to be in progressive discussions with users interested in being in the Health Sciences District including research and development companies, workforce development firms and other connected o health care and/or life sciences. Our goal is to partner with user that is also dedicated to creating opportunities that align with and enhance our community.

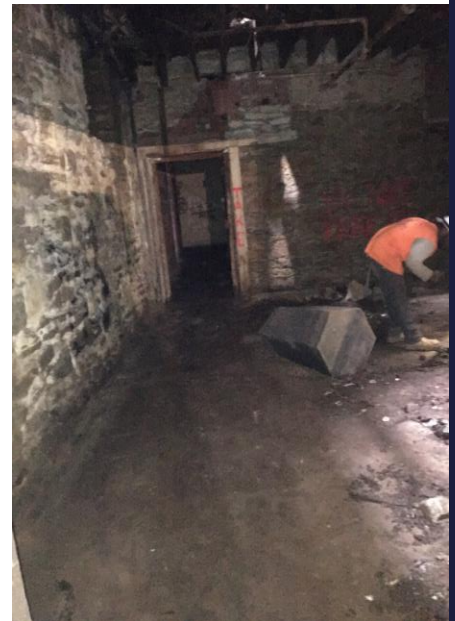
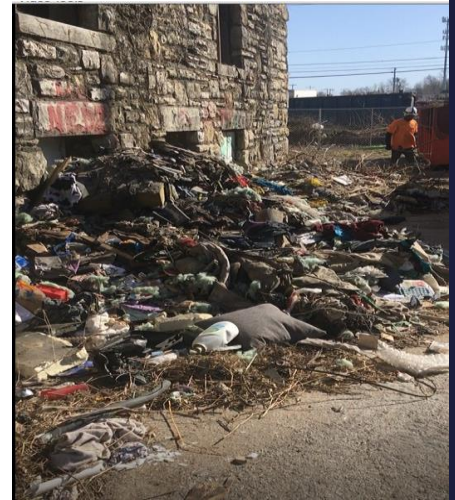
We are currently in discussions with several lenders with expertise in tax credit leveraged structures and who are driven by social impact and risk management. We have also begun working with permanent lenders to secure a forward construction loan agreement.

Phase 2:

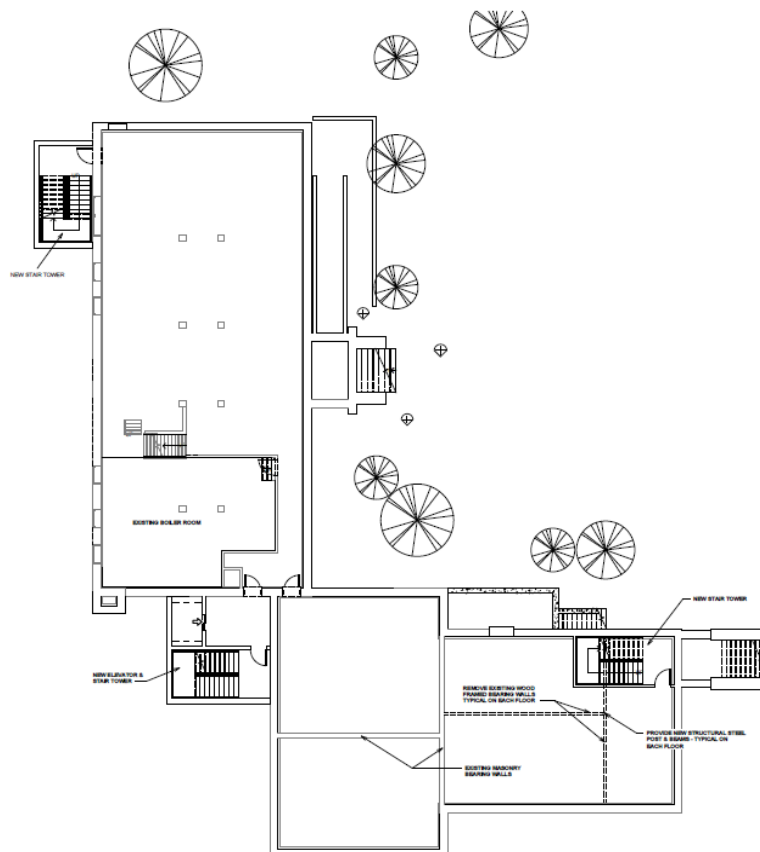
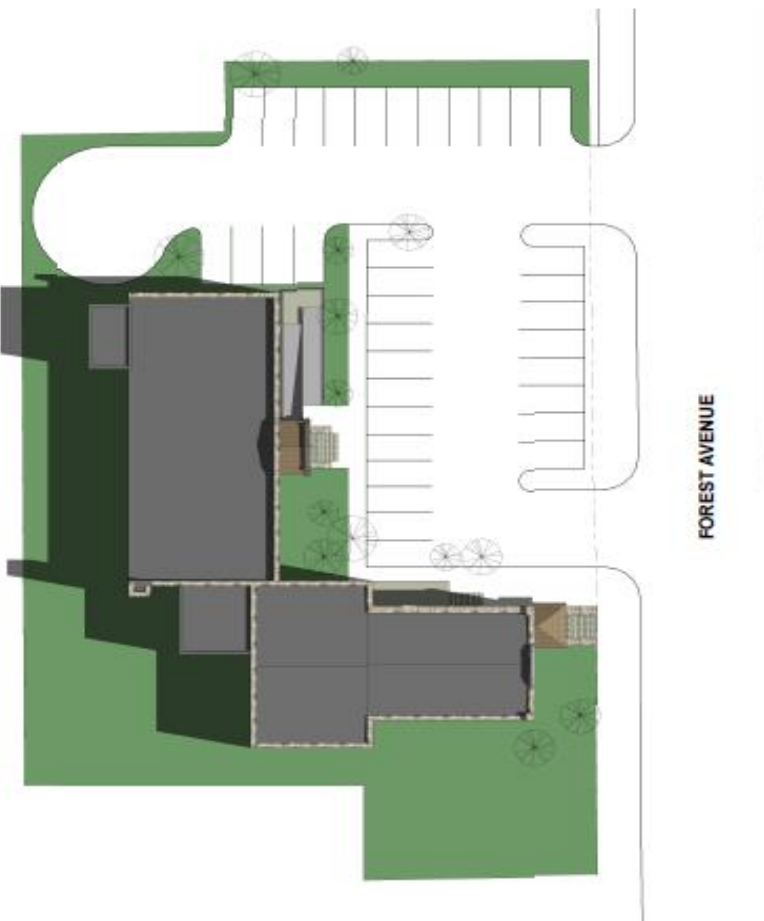
- Secure tenant based on Phase 1 plans and schematics
- Finalize construction plans in alignment with tenant user needs
- Target finish and occupancy Q3 2021



Attachment B: Construction



Attachment C: Design Sets (to date)



10 Year Pro-Forma with Requested Tax Abatement

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Aug-2022 | Aug-2023 | Aug-2024 | Aug-2025 | Aug-2026 | Aug-2027 | Aug-2028 | Aug-2029 | Aug-2030 | Aug-2031 |
| Occupancy | 42% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Expense Recovery | 86% | 86% | 86% | 86% | 86% | 86% | 86% | 86% | 86% | 86% |
| Rental Revenue | | | | | | | | | | |
| Gross Potential Rent | 209,948 | 513,953 | 524,232 | 534,717 | 545,411 | 556,320 | 567,446 | 578,795 | 590,371 | 602,178 |
| - Concessions | - | - | - | - | - | - | - | - | - | - |
| Total Rental Revenue | 209,948 | 513,953 | 524,232 | 534,717 | 545,411 | 556,320 | 567,446 | 578,795 | 590,371 | 602,178 |
| Other Income | | | | | | | | | | |
| Expense Recovery Income | 70,326 | 169,056 | 172,339 | 175,687 | 179,102 | 182,584 | 186,135 | 189,757 | 193,451 | 197,218 |
| Total Other Income | 70,326 | 169,056 | 172,339 | 175,687 | 179,102 | 182,584 | 186,135 | 189,757 | 193,451 | 197,218 |
| Total Potential Gross Income | 280,275 | 683,010 | 696,572 | 710,404 | 724,513 | 738,904 | 753,581 | 768,552 | 783,821 | 799,396 |
| - General Vacancy | | 34,150 | 34,829 | 35,520 | 36,226 | 36,945 | 37,679 | 38,428 | 39,191 | 39,970 |
| Effective Gross Income | 280,275 | 648,859 | 661,743 | 674,884 | 688,287 | 701,958 | 715,902 | 730,124 | 744,630 | 759,426 |
| Operating Expenses | | | | | | | | | | |
| General & Administrative | 3,566 | 8,569 | 8,698 | 8,828 | 8,961 | 9,095 | 9,231 | 9,370 | 9,510 | 9,653 |
| Utilities | 33,164 | 79,726 | 81,320 | 82,947 | 84,606 | 86,298 | 88,024 | 89,784 | 91,580 | 93,411 |
| Repairs ,Maintenance,Cleaning | 25,943 | 62,366 | 63,613 | 64,886 | 66,183 | 67,507 | 68,857 | 70,234 | 71,639 | 73,072 |
| Management Fee | 10,655 | 25,614 | 26,126 | 26,649 | 27,182 | 27,725 | 28,280 | 28,846 | 29,422 | 30,011 |
| Grounds and Security | 2,803 | 6,489 | 6,617 | 6,749 | 6,883 | 7,020 | 7,159 | 7,301 | 7,446 | 7,594 |
| Taxes | 1,396 | 3,350 | 3,350 | 3,350 | 3,350 | 3,350 | 3,350 | 3,350 | 3,350 | 3,350 |
| Insurance | 4,458 | 10,716 | 10,930 | 11,149 | 11,372 | 11,599 | 11,831 | 12,068 | 12,309 | 12,555 |
| Total Operating Expenses | 81,983 | 196,829 | 200,655 | 204,557 | 208,536 | 212,594 | 216,732 | 220,953 | 225,257 | 229,647 |
| Net Operating Income | 198,291 | 452,030 | 461,088 | 470,327 | 479,751 | 489,364 | 499,170 | 509,171 | 519,373 | 529,779 |
| Capital Reserve | - | 37,443 | 37,443 | 37,443 | 37,443 | 37,443 | 37,443 | 37,443 | 37,443 | 37,443 |
| Total Expenses | 81,983 | 234,272 | 238,098 | 242,000 | 245,979 | 250,037 | 254,175 | 258,396 | 262,700 | 267,090 |
| Cash Flow from Operations | 198,291 | 414,587 | 423,645 | 432,884 | 442,308 | 451,921 | 461,727 | 471,728 | 481,930 | 492,336 |
| HTC Fee | 3,966 | 8,292 | 8,473 | 8,658 | 8,846 | | | | | |
| Cash Flow Available for Debt | 194,325 | 406,295 | 415,172 | 424,226 | 433,462 | 451,921 | 461,727 | 471,728 | 481,930 | 492,336 |
| Debt Service | (175,557) | (481,669) | (346,663) | (346,663) | (346,663) | (346,663) | (346,663) | (365,948) | (404,519) | (404,519) |
| Cash Flow After Financing | 18,563 | (74,561) | 68,428 | 77,364 | 86,480 | 104,688 | 114,365 | 105,275 | 77,421 | 87,691 |
| DSCR (CFO) | 1.11X | 0.84X | 1.20X | 1.22X | 1.25X | 1.30X | 1.33X | 1.29X | 1.19X | 1.22X |
| Assumed Use, Wet Lab + Office/Medical | | | | | | | | | | |
| Calculated Valuation , 8% Cap Rate | | | \$5,189,648 | | | | | | | |
| Assumed Rent , and approximately 20% below market for sim | | | \$23.55 | | | | | | | |
| Operating Expense | | | \$ 9.38 | | | | | | | |
| Expense Recovery | | | 86% | | | | | | | |

10 Year Pro-Forma with Requested Tax Abatement

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|---|----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Aug-2022 | Aug-2023 | Aug-2024 | Aug-2025 | Aug-2026 | Aug-2027 | Aug-2028 | Aug-2029 | Aug-2030 | Aug-2031 |
| Occupancy | 42% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Expense Recovery | 86% | 86% | 86% | 86% | 86% | 86% | 86% | 86% | 86% | 86% |
| Rental Revenue | | | | | | | | | | |
| Gross Potential Rent | 209,948 | 513,953 | 524,232 | 534,717 | 545,411 | 556,320 | 567,446 | 578,795 | 590,371 | 602,178 |
| - Concessions | - | - | - | - | - | - | - | - | - | - |
| Total Rental Revenue | 209,948 | 513,953 | 524,232 | 534,717 | 545,411 | 556,320 | 567,446 | 578,795 | 590,371 | 602,178 |
| Other Income | | | | | | | | | | |
| Expense Recovery Income | 70,326 | 169,056 | 172,339 | 175,687 | 179,102 | 182,584 | 186,135 | 189,757 | 193,451 | 197,218 |
| Total Other Income | 70,326 | 169,056 | 172,339 | 175,687 | 179,102 | 182,584 | 186,135 | 189,757 | 193,451 | 197,218 |
| Total Potential Gross Income | 280,275 | 683,010 | 696,572 | 710,404 | 724,513 | 738,904 | 753,581 | 768,552 | 783,821 | 799,396 |
| - General Vacancy | | 34,150 | 34,829 | 35,520 | 36,226 | 36,945 | 37,679 | 38,428 | 39,191 | 39,970 |
| Effective Gross Income | 280,275 | 648,859 | 661,743 | 674,884 | 688,287 | 701,958 | 715,902 | 730,124 | 744,630 | 759,426 |
| Operating Expenses | | | | | | | | | | |
| General & Administrative | 3,566 | 8,569 | 8,698 | 8,828 | 8,961 | 9,095 | 9,231 | 9,370 | 9,510 | 9,653 |
| Utilities | 33,164 | 79,726 | 81,320 | 82,947 | 84,606 | 86,298 | 88,024 | 89,784 | 91,580 | 93,411 |
| Repairs ,Maintenance,Cleaning | 25,943 | 62,366 | 63,613 | 64,886 | 66,183 | 67,507 | 68,857 | 70,234 | 71,639 | 73,072 |
| Management Fee | 10,655 | 25,614 | 26,126 | 26,649 | 27,182 | 27,725 | 28,280 | 28,846 | 29,422 | 30,011 |
| Grounds and Security | 2,803 | 6,489 | 6,617 | 6,749 | 6,883 | 7,020 | 7,159 | 7,301 | 7,446 | 7,594 |
| Taxes | 1,396 | 80,772 | 83,196 | 85,692 | 88,262 | 90,910 | 93,637 | 96,447 | 99,340 | 102,320 |
| Insurance | 4,458 | 10,716 | 10,930 | 11,149 | 11,372 | 11,599 | 11,831 | 12,068 | 12,309 | 12,555 |
| Total Operating Expenses | 81,983 | 274,252 | 280,501 | 286,898 | 293,448 | 300,154 | 307,020 | 314,050 | 321,247 | 328,617 |
| Net Operating Income | 198,291 | 374,607 | 381,242 | 387,986 | 394,839 | 401,804 | 408,882 | 416,075 | 423,383 | 430,809 |
| Capital Reserve | - | 37,443 | 37,443 | 37,443 | 37,443 | 37,443 | 37,443 | 37,443 | 37,443 | 37,443 |
| Total Expenses | 81,983 | 311,695 | 317,944 | 324,341 | 330,891 | 337,597 | 344,463 | 351,493 | 358,690 | 366,060 |
| Cash Flow from Operations | 198,291 | 337,164 | 343,799 | 350,543 | 357,396 | 364,361 | 371,439 | 378,632 | 385,940 | 393,366 |
| HTC Fee | 3,966 | 8,292 | 8,473 | 8,658 | 8,846 | | | | | |
| Cash Flow Available for Debt | 194,325 | 328,872 | 335,326 | 341,885 | 348,550 | 364,361 | 371,439 | 378,632 | 385,940 | 393,366 |
| Debt Service | (175,557) | (481,669) | (346,663) | (346,663) | (346,663) | (346,663) | (346,663) | (365,948) | (404,519) | (404,519) |
| Cash Flow After Financing | 18,563 | (74,561) | 68,428 | 77,364 | 86,480 | 104,688 | 114,365 | 105,275 | 77,421 | 87,691 |
| DSCR (CFO) | 1.11X | 0.68X | 0.97X | 0.99X | 1.01X | 1.05X | 1.07X | 1.03X | 0.95X | 0.97X |
| Assumed Use, Wet Lab + Office/Medical | | | | | | | | | | |
| Calculated Valuation , 8% Cap Rate | | | \$ 4,191,577 | | | | | | | |
| Assumed Rent , and approximately 20% below market for | | | \$23.55 | | | | | | | |
| Operating Expense | | | \$ 13.11 | | | | | | | |
| Expense Recovery | | | 86% | | | | | | | |

Tax rate based on average taxes paid on most comparable size and construction age buildings .5 miles west in Crossroads. Comparable buildings uses are event and warehouse space. As such a multiple was applied to account for a higher assessment rate for Wheatley Provident.

| Budget Item | /SF | Amount |
|------------------------------------|-----------|-----------|
| 1. Construction Costs | \$ 289.02 | 6,183,900 |
| Initial Dry in | | 300,000 |
| Leasehold/Construction | | 5,883,900 |
| 2. Architecture & Engineering | \$ 19.25 | 414,774 |
| 3. Soft Costs | \$ 40.91 | 875,248 |
| Soft Costs | | 294,195 |
| Developer Fee | | 581,053 |
| 4. FF & E/ TI Estimate | \$ 17.44 | 373,198 |
| TI/FFE Estimate | | 200,000 |
| Stabilization Interest | | 173,198 |
| 6. Land | \$ 11.82 | 253,000 |
| Land Purchase | | 200,000 |
| Overdue Tax | | 15,000 |
| Nusiance | | 38,000 |
| Total before Construction Interest | \$ 378.45 | 8,097,219 |
| Construction Interest | \$ 12.28 | 262,736 |
| Total with Construction Interest | \$ 390.73 | 8,362,856 |
| Cumulative Spent | \$ 371.48 | 7,948,082 |

Costs related to tax credits have already been netted out of tax credit equity (post sale of credits)

| DEVELOPMENT SOURCES AND USES | |
|----------------------------------|--------------|
| Sources | |
| NMTC Construction/Semi-Perm Leve | \$ 5,333,270 |
| Tax Credit Equity | \$ 2,571,551 |
| Equity Investment | \$ 458,036 |
| Total Sources | \$ 8,362,856 |
| Uses | |
| Construction Costs | \$ 6,183,900 |
| Architecture & Engineering | \$ 411,873 |
| Soft Costs | \$ 875,248 |
| FF & E/ TI Estimate | \$ 373,198 |
| Land | \$ 253,000 |
| Development Cost W/O Interest | \$ 8,097,219 |
| Construction Interest and Fees | \$ 265,637 |
| Total Uses | \$ 8,362,856 |

The budget attached is base on the most recent discussions with potential tenants. This model assumes an adaptive reuse of Wheatley Provident to include a wet lab and related office space The development team has been in talks with several users desiring lab space.

| New Markets Tax Credits | |
|---|-----------------|
| Total Development Cost QRE | \$ 7,541,215 |
| NMTCs | \$ 2,941,074 |
| Pricing | \$ 0.75 |
| Gross Equity | \$ 2,205,805 |
| CDE Fee (% of allocation) | 5% |
| Professional & Modeling Fees | \$ - |
| CDE Fee (% of allocation) | \$ 377,061 |
| Net NMTC Equity Raised | \$ 1,828,745 |
| Historic Tax Credits | |
| Qualified Rehabilitation SF | 21,396 |
| Federal Historic Tax Credit Type | \$ 7,113,556.16 |
| Tax Credit Rate | 20% |
| Amount of Federal Tax Credits | \$ 1,422,711 |
| Price per Tax Credit Dollar | \$ 0.85 |
| Federal Tax Credit Raised | \$ 1,209,305 |
| Fees and Expenses | 5% |
| Expenses | \$ 60,465 |
| Federal Tax Credit Equity Raised (net expenses) | \$ 1,148,839 |
| State Tax Rate | 25% |
| State Historic Tax Credit 25% | \$ 1,778,389 |
| Price per Tax Credit Dollar | \$ 0.80 |
| State Tax Credit Equity Rased | \$ 1,422,711 |
| Net Historic Tax Credit Equity Ra | \$ 2,571,551 |