

AINES DAIRY LOFTS

EDC Redevelopment Project Application



Exact Landmark, LLC

**ECONOMIC DEVELOPMENT CORPORATION**

For any project seeking assistance through the following agencies, a completed application form must be provided. Those agencies include: Tax Increment Financing Commission, Land Clearance for Redevelopment Authority, Port Authority, and Planned Industrial Expansion Authority, Chapter 353.

REDEVELOPMENT PROJECT APPLICATION

➤ Application may be submitted electronically.

Email completed application to Dona Mathieu at dmathieu@edckc.com. (816) 221-0636

If more space is required for response to any question, please attach additional sheet(s).

1. APPLICANT INFORMATION

Applicant/Organization Name: Exact Landmark, LLC

Business Address: 3829 Main St., Ste. 103, Kansas City, MO 64111

Contact Person: Bob Mayer

E-Mail Address: mrcapital@planetkc.com

Phone: (816) 309-8250 Fax: _____

Address (if different than business address) _____

Attorney for Applicant: NA

Attorney's Address: NA

Attorney's Phone: NA

2. LOCATION OF THE PROJECT

General Boundaries: The proposed redevelopment area consists of one tax parcel located at 3130

Gillham Rd (Jackson County Parcel No. 29-840-07-01-00-0-00-000).

Legal Description: _____

Lots 50 through 58, both inclusive, together with the South ½ of the vacated alley lying North of and

adjacent to said Lot 58, all in Block 1, SPRINGFIELD PLACE, a subdivision in Kansas City, Jackson

County, Missouri, according to the recorded plat thereof.

County: Jackson Council District: 4th

Total Acreage: 1.10 acres

Is the project located in any incentive areas? Longfellow/Dutch Hill Neighborhoods URA

What is the current zoning of the project area? M1-5

What is the proposed zoning for the project area? M1-5

If a zoning change is pending, cite application number and present status. If application has not been made, briefly describe what change will be needed and plans for submitting application:

No rezoning required (property on National Register)

Land Use Plan Midtown/Plaza Area Plan Need for Modification Yes

3. THE PROJECT

Provide a detailed narrative description of the proposed project, including information as the size of the project, amount of land (property) to be purchased, whether the project is a rehabilitation of existing structure(s), expansion, or the construction of a new facility, residences, etc. Describe what products or services are to be manufactured or provided through this project.

- ☐ New Construction ☒ Rehab/Expansion ☐ Residential ☐ Commercial ☐ Industrial
- ☐ Single Family/Duplex ☐ Multifamily ☐ Retail ☒ Mixed Use ☐ Office

The redevelopment of the historic Aines Farm Dairy Building will adapt the two-story, former warehouse and production facility of 50,000 square feet to a mixed-use multifamily and commercial property. Built in 1946 in midtown Kansas City about three miles south of Downtown in what is now the Martini Corner entertainment district, the renovation will accommodate 47 loft apartments and a commercial space of approximately 2,823 square feet. An existing parking lot is located on the property north of the building.

Of the 47 apartments, six (6) are studio/1BA units with an average size of 515 square feet and an average rent of \$800/month, or \$1.55 per square foot. Twenty-eight (28) of the units are 1BR/1BA units with an average size of 686 square feet and an average rent of \$950/month, or \$1.39 per square foot.

Six (6) of the units are 2BR/1BA units with an average size of 983 square feet and an average rent of \$1,100/month, or \$1.12 per square foot. Seven (7) of the units are 2BR/2BA units with an average size of 1,146 square feet and an average rent of \$1,250 per month, or \$1.09 per square foot. The studio units are affordable to households with income of 60% AMI. The 1BR and the 2BR/1BA units are affordable to households with income of 70% AMI, and the 2BR/2BA units are affordable to households with income of 80% AMI.

Square footage: 50,000

No. of dwelling units 47 No. of hotel rooms NA No. of parking spaces 47

List any nationally or locally historical properties and/or districts within the Project Area.
(Contact the City Landmarks Commission at (816) 513-2902 for information regarding local and national historical properties and/or districts)

The property has been on the National Register since 2008.

Please describe any environmental sustainability features of your project including level of LEED certification (if applicable) and/or energy efficiency/alternative energy features. (Please note if you are interested in receiving free information from EDC staff on how available energy efficiency programs can reduce your overall project costs.) See also: <https://www.evergy.com/ways-to-save/incentives>

Heat pumps, low-E glass thermal windows, adaptive reuse and recycled structure, high SRI roofing, low-VOC finishes, Energy Star appliances, smart thermostats, and LED lighting.

NUMBER OF JOBS

<input checked="" type="checkbox"/> Created	<u>21 FTE</u>	Average Salary: <u>\$ 25,931</u>
<input type="checkbox"/> Retained	<u></u>	Average Salary: <u>\$</u>
<input type="checkbox"/> Relocated	<u></u>	Average Salary: <u>\$</u>
<input checked="" type="checkbox"/> Construction jobs	<u>83 FTE</u>	Average Salary: <u>\$ 44,760</u>

Projected real property investment. \$8,513,544

Projected personal property investment. \$206,000

Will there be the use of federal or state incentives for this project? Which incentives and how much is being sought?

Yes. The project will utilize federal and state historic preservation tax credits. Federal tax credits are estimated at \$1,406,314, and state tax credits are estimated at \$1,775,649. Sale of the tax credits is estimated to generate equity in the amount of \$2,628,386.

State the need for an incentive (i.e., competitive pressures of the location, need for remediation of blight in proximity to the Project, addition of jobs to a high unemployment area, etc.)

Tax abatement will allow for affordable rents to households with incomes at 60%-80% AMI.

4. PROJECT COSTS

Identify the costs reasonably necessary for the acquisition of the site and/or construction of the proposed Project together with any machinery and equipment in connection therewith, including any utilities hook-up, access roads, or appurtenant structures.

Fair Market Value of Land: \$176,800

Fair Market Value of Improvement \$4,523,000

Projected Assessed Value of the Land & Improvements Upon Completion: \$893,000

5. CONTROL OF PROPERTY

If the Applicant owns the project site, indicate:

Date of Purchase July 8, 2020

Sales Price \$1,000,000

If the Applicant has a contract or option to purchase the project site, indicate:

Sales Price _____

Date purchase/option contract signed _____

Closing/expiration date _____

If the Applicant will lease the project site, indicate:

Legal Name of Owner _____

Owner's Address _____

Owner of land upon completion of the Project _____

6. LAND ACQUISITION – NOT APPLICABLE

For each Project Area, please provide the following:

- A map showing all parcels to be acquired
- Addresses and parcel numbers of all parcels to be acquired
- Current owners of all parcels to be acquired

Is the use of Eminent Domain anticipated? _____

7. SOURCES OF FUNDS:

State amount and sources of financing for each Project costs listed above. Please provide commitment letters for any sources received listing terms and conditions.

<u>SOURCE</u>	<u>AMOUNT</u>
Debt (Mini Perm Loan)	\$ 4,816,577
Historic Tax Credit Equity (federal and state)	\$ 2,496,967
Developer Equity (land and cash)	\$ 1,700,000
Deferred Developer Fee	\$ 500,000
Total	\$ 9,513,544

8. DEVELOPMENT TEAM

Identify members of the development team and provide evidence of experience with other development projects.

Exact Landmark, LLC consists of several partners, including MSG Investments, Inc., Exact Partners, Exact Architects, and MR Capital Advisors. More information about the principals and staff of the development team are attached.

9. FINANCIAL INFORMATION – see attached

- A. Budget – include a detailed breakdown of all hard and soft costs
- B. Complete list of sources and uses of funds (indicate if you have received tax credits and secured other financing)
- C. 10 year operating pro forma
 - One that shows the project without any incentive assistance
 - One that shows the project with requested incentive

The Pro forma should also include assumptions such as estimated lease rates, revenue assumptions, and expense assumptions.

- D. If seeking TIF assistance, provide projections for PILOTS and EATS.
- E. If seeking TIF or Chapter 100 assistance, provide a personal property depreciation and replacement schedule.
- F. Financing Term Sheet.

10. BOND FINANCING

Bond Financing is handled on a case-by-case basis.

11. REQUIRED ATTACHMENTS

- **Attachment A** A map showing the boundaries of the project.
- **Attachment B** A development schedule for the project, including the phasing of development and the locations and improvements to be accomplished in each phase.
- **Attachment C** Design plans for the project (including site plans & elevations), if available.
- **Attachment D** Letter(s) of Support from one or more of the following: councilpersons, mayor, county official, state representative, state senator, local taxing entities, and/or neighborhood organization(s).

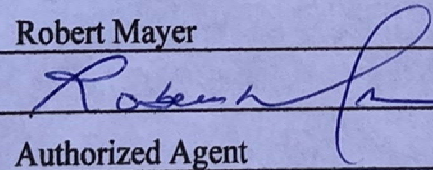
12. BANKRUPTCY DISCLOSURE

Has the applicant or any parent, subsidiary or business entity otherwise affiliated with the applicant, ever filed a petition for bankruptcy or appointed a receiver? If Yes, the applicant must obtain and file a "Statement of Bankruptcy/Receivership."

☒ No ☐ Yes

13. CERTIFICATION OF APPLICANT:

The undersigned hereby represents and certifies that to the best knowledge and belief of the undersigned, this project application contains no information or data, contained herein or in the attachments, that is false, incorrect or misleading.

NAME: Robert Mayer
SIGNATURE: 
TITLE: Authorized Agent

FEES WILL BE CALCULATED AND COLLECTED AT A FUTURE DATE.

APPLICATION MAY BE EMAILED TO: _____ or _____

MAIL COMPLETED APPLICATION TO: **Economic Development Corporation**
Attn: Dona Mathieu
300 Wyandotte, Suite 400
Kansas City, Missouri 64105



FOR INTERNAL USE ONLY

Assistance Project will be evaluated for with financial analysis:

- | | |
|-------------------------------|---|
| <input type="checkbox"/> TIF | <input type="checkbox"/> PIEA/Chapter 353 |
| <input type="checkbox"/> LCRA | <input type="checkbox"/> Chapter 100 |

Comments:

Advance KC Project Inquiry Meeting Date:

Score Card Value

Financial Analysis Review Committee:

AINES DAIRY LOFTS

EDC Redevelopment Project Application

ATTACHMENTS

- A. MAP
- B. DEVELOPMENT SCHEDULE
- C. DESIGN PLANS
- D. DEVELOPER INFORMATION
& PRINCIPAL BIOS
- E. FINANCIAL INFORMATION
- F. LETTERS OF SUPPORT

AINES DAIRY LOFTS

EDC Redevelopment Project Application

ATTACHMENTS

- A. MAP
- B. DEVELOPMENT SCHEDULE
- C. DESIGN PLANS
- D. DEVELOPMENT INFORMATION
& PRINCIPAL BIOS
- E. FINANCIAL INFORMATION
- F. LETTERS OF SUPPORT



AINES DAIRY LOFTS

EDC Redevelopment Project Application

ATTACHMENTS

- A. MAP
- B. DEVELOPMENT SCHEDULE**
- C. DESIGN PLANS
- D. DEVELOPMENT INFORMATION
& PRINCIPAL BIOS
- E. FINANCIAL INFORMATION
- F. LETTERS OF SUPPORT

AINES DAIRY LOFTS

EDC Redevelopment Project Application

DEVELOPMENT SCHEDULE

Construction Commences	3 rd Quarter 2022
Opening	4 th Quarter 2023

AINES DAIRY LOFTS

EDC Redevelopment Project Application

ATTACHMENTS

- A. MAP
- B. DEVELOPMENT SCHEDULE
- C. DESIGN PLANS
- D. DEVELOPER INFORMATION
& PRINCIPAL BIOS
- E. FINANCIAL INFORMATION
- F. LETTERS OF SUPPORT



3100 Gilham
by EXACT



3100 Gilham
by EXACT



AINES DAIRY LOFTS

EDC Redevelopment Project Application

ATTACHMENTS

- A. MAP
- B. DEVELOPMENT SCHEDULE
- C. DESIGN PLANS
- D. DEVELOPER INFORMATION
& PRINCIPAL BIOS**
- E. FINANCIAL INFORMATION
- F. LETTERS OF SUPPORT

EXACT Summary

We create amazing space across commercial, residential, and historic architectural projects. Our goal is to envision a wonderful outcome for each client. Our delivery team includes a board-certified architect, a licensed general contractor, and an entire team of supervisors, engineers, and builders. Together, we offer a strong architectural vision and a clear business organization to bring the project to realization.

In just the past 5 years, Exact has successfully converted four vacant historic commercial buildings into mixed use and multifamily housing in the Midtown area: the Wonder Shops + Flats (Troost), the Acme Cleansing Co. (Martini Corner), The Netherland hotel and the Monarch Storage building (39th and Main). Each project has maintained stabilized occupancy and provided new commercial opportunities to small businesses for our city.

Ilan Salzberg | Partner | 25+ years exp

Experience building, rehabbing, owning and managing urban commercial projects.
Develops a diverse real estate portfolio of commercial spaces and residential units.
Leads partnership and neighborhood outreach from project inception to completion.
Envisions and manifests distinct building programs and unique tenant experiences.

Caleb Buland | Partner | 20+ years exp

Strong experience as project executive in architecture, construction, and business.
Manages projects from cradle to grave, complete design, and turnover of projects.
Reviews strategies and company targets, adding strength to development teams.
Implements development strategy, proformas, and master plans with stakeholders.

Bob Mayer | Partner | 30+ year exp

Extensive experience in commercial real estate and community development projects.
Fluent in economic development analysis, tax incentives, and private loan placement.
Assists both for-profit and non-profit entities in business development and incentives.
President of MR Capital Advisors LLC, a Brokerage specializing in commercial loans.

Tyler Asby | Project Manager | 8 years exp

Team lead in the design, documentation, and completion of new construction projects.
Experienced with site coordination including bidding, contracting, and quality control.
Strong background in development and Architect-led design-build project contracts.
Comfortable meeting with clients and presenting innovative ideas to achieve outcome.

Lauren Jensen | Director of Operations | 10 years exp

Leads marketing and branding to create project identity and build user experience.
Incorporates tenant feedback and data to facilitate broader community integration.
Facilitates security, utility, and signage coordination for seamless tenant move-in.
Manages six operating restaurant, retail and office properties across Midtown KC.

AINES DAIRY LOFTS

EDC Redevelopment Project Application

ATTACHMENTS

- A. MAP
- B. DEVELOPMENT SCHEDULE
- C. DESIGN PLANS
- D. DEVELOPER INFORMATION
& PRINCIPAL BIOS
- E. FINANCIAL INFORMATION
- F. LETTERS OF SUPPORT

3130 GILLHAM RD					
39,027 SF Apartments/Commercial					
39,027 Total Building SF					
11/16/2021					
47 units					
DESCRIPTION	COSTS	COST PER occupied GSF	COST PER UNIT	COMMENTS	QRE ELIGIBLE
General Requirements	\$ 472,500	\$ 12.11	\$ 10,053.19		\$ 472,500
Insurance	\$ 21,000	\$ 0.54	\$ 446.81		\$ 21,000
Permits	\$ 15,750	\$ 0.40	\$ 335.11		\$ -
Site Work	\$ 78,750	\$ 2.02	\$ 1,675.53		\$ -
Exterior Paving	\$ 78,750	\$ 2.02	\$ 1,675.53		\$ -
Interior Concrete	\$ 52,500	\$ 1.35	\$ 1,117.02		\$ 52,500
Masonry	\$ 210,000	\$ 5.38	\$ 4,468.09		\$ 210,000
Metal Assemblies	\$ 262,500	\$ 6.73	\$ 5,585.11		\$ 262,500
Interior Debris Removal	\$ 52,500	\$ 1.35	\$ 1,117.02		\$ 52,500
Rough Carpentry	\$ 78,750	\$ 2.02	\$ 1,675.53		\$ 78,750
Finish Carpentry	\$ 78,750	\$ 2.02	\$ 1,675.53		\$ 78,750
Interior Cabinetry	\$ 78,750	\$ 2.02	\$ 1,675.53		\$ 78,750
Countertops	\$ 52,500	\$ 1.35	\$ 1,117.02		\$ 52,500
Exterior Finishes	\$ 31,500	\$ 0.81	\$ 670.21		\$ 31,500
Insulation and Sealants	\$ 26,250	\$ 0.67	\$ 558.51		\$ 26,250
Roof Coverage	\$ 94,500	\$ 2.42	\$ 2,010.64		\$ 94,500
Doors and Hardware	\$ 73,500	\$ 1.88	\$ 1,563.83		\$ 73,500
Windows	\$ 210,000	\$ 5.38	\$ 4,468.09		\$ 210,000
Wall Package	\$ 735,000	\$ 18.83	\$ 15,638.30		\$ 735,000
Tile	\$ 42,000	\$ 1.08	\$ 893.62		\$ 42,000
Roll Flooring	\$ -	\$ -	\$ -		\$ -
Paints and Coatings	\$ 115,500	\$ 2.96	\$ 2,457.45		\$ 115,500
Rooftop Pool & Deck	\$ 126,000	\$ 3.23	\$ 2,680.85		\$ -
Appliances	\$ 131,250	\$ 3.36	\$ 2,792.55		\$ -
Accessories	\$ 52,500	\$ 1.35	\$ 1,117.02		\$ -
Blinds	\$ 26,250	\$ 0.67	\$ 558.51		\$ -
Fire Protection	\$ 315,000	\$ 8.07	\$ 6,702.13		\$ 315,000
Elevators and Platform Elevators	\$ -	\$ -	\$ -		\$ -
Plumbing	\$ 630,000	\$ 16.14	\$ 13,404.26		\$ 630,000
HVAC	\$ 630,000	\$ 16.14	\$ 13,404.26		\$ 630,000
Electrical	\$ 630,000	\$ 16.14	\$ 13,404.26		\$ 630,000
Tenant Improvements	\$ 315,000	\$ 8.07	\$ 6,702.13		\$ 315,000
Overhead	\$ 210,000	\$ 5.38	\$ 4,468.09		\$ 210,000
Contractor Fee	\$ 210,000	\$ 5.38	\$ 4,468.09		\$ 210,000
Contingency	\$ 613,725	\$ 15.73	\$ 13,057.98		\$ -
Total Construction Costs	\$ 6,750,975	\$ 172.98	\$ 143,638		\$ 5,628,000
Soft Costs (Detail)	Total	% of Hard Costs	Cost per Unit	% of TDC	
Architect/Design	\$ 219,500	3.25%	\$ 4,670.21	2.31%	\$ 219,500
Engineering	\$ 219,500	3.25%	\$ 4,670.21	2.31%	\$ 219,500
GP Legal	\$ 20,000	0.30%	\$ 425.53	0.21%	\$ -
Historic Preservation App	\$ 70,000	1.04%	\$ 1,489.36	0.74%	\$ 70,000
Appraisal	\$ 5,400	0.08%	\$ 114.89	0.06%	\$ -
Environmental Report	\$ 6,000	0.09%	\$ 127.66	0.06%	\$ 4,000
Tax Credit Fees	\$ 20,000	0.30%	\$ 425.53	0.21%	\$ -
LCRA/EDC Tax Abatement Fees	\$ 41,455	0.61%	\$ 882.03	0.44%	\$ -
Franchise & FF&E	\$ 40,000	0.59%	\$ 851.06	0.42%	\$ -
Consultants	\$ 20,000	0.30%	\$ 425.53	0.21%	\$ 20,000
Contingency	\$ 33,093	0.49%	\$ 704.10	0.35%	\$ -
Total	\$ 694,948	10.29%	\$ 14,786.13	7.30%	\$ 533,000
Acquisition	1,000,000		21,276.60	10.51%	\$ -
Developer Fee	550,000		11,702.13	5.78%	\$ 550,000
Financing					
Construction Period Interest	233,432		4,966.64	2.45%	\$ 233,432
Mini-Perm Loan Origination Fee	48,166		1,024.81	0.51%	\$ 48,166
HTC Bridge Loans Origination Fee	12,485		265.63	0.13%	\$ 11,635
State HTC Issuance Fee (4%)	71,026		1,511.19	0.75%	\$ 70,361
Construction Taxes & Insurance	24,000		510.64	0.25%	\$ 24,000
Inspections	4,000		85.11	0.04%	\$ 4,000
Permanent Loan Origination Fee	43,211		919.38	0.45%	\$ -
Title & Recording	6,301		134.06	0.07%	\$ 1,301
Financing	442,621		9,417.46	4.65%	\$ 391,594
Project Reserves	75,000		1,595.74	0.79%	\$ -
TOTAL DEVELOPMENT COST	9,513,544		202,415.83	100.00%	7,102,594

Aines Dairy Lofts

Sources & Uses

Sources

Mini-Perm Loan	\$ 4,816,577
Historic Tax Credit Equity	\$ 2,496,967
Developer Equity	\$ 1,700,000
Deferred Developer Fee	\$ 500,000
Total	\$ 9,513,544

Uses

Acquisition	\$ 1,000,000
Construction	\$ 6,750,975
Soft Costs	\$ 694,948
Financing	\$ 442,621
Developer Fee	\$ 550,000
Reserves/Other	\$ 75,000
Total	\$ 9,513,544

**Aines Dairy Lofts
3130 Gillham Rd
Without Tax Abatement**

AINES DAIRY LOFTS
3130 Gillham Rd
PROFORMA ANALYSIS, Without Tax Abatement

11/16/2021	1	2	3	4	5	6	7	8	9	10
Assumptions:	Year									
annual increases										
Construction	0									
Income										
Gross Possible Rent - Apartments	0	572,220	583,664	595,338	607,244	619,389	631,777	644,413	657,301	670,447
Vacancy/Other Losses - Percent	0.0%	45.6%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Vacancy/Other Losses - Amount	0	(255,633)	(45,778)	(46,693)	(47,827)	(48,580)	(49,551)	(50,542)	(51,553)	(52,584)
Total Rental Income, Apartments	0	305,367	526,442	536,971	547,711	558,665	569,838	581,235	592,860	604,717
Other Income	0	0	0	0	0	0	0	0	0	0
Total Revenue - Apartments	0	305,367	526,442	536,971	547,711	558,665	569,838	581,235	592,860	604,717
Gross Possible Rent - Commercial	0	33,876	34,554	35,245	35,949	36,668	37,402	38,150	38,913	39,691
Vacancy/Other Losses - Percent	0.0%	50.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Vacancy/Other Losses - Amount	0	(16,938)	(5,183)	(5,287)	(5,392)	(5,500)	(5,610)	(5,722)	(5,837)	(5,954)
Total Rental Income, Commercial	0	16,938	29,370	29,958	30,557	31,168	31,792	32,427	33,076	33,737
Other Income	0	0	0	0	0	0	0	0	0	0
Total Revenue - Commercial	0	16,938	29,370	29,958	30,557	31,168	31,792	32,427	33,076	33,737
Effective Gross Income	0	322,305	555,813	566,929	578,268	589,833	601,630	613,662	625,936	638,454
EXPENSES										
Operating Expenses										
Administrative Expenses	0	33,900	34,917	35,965	37,043	38,155	39,299	40,478	41,693	42,944
Repair & Maintenance Expenses	0	46,400	47,792	49,226	50,703	52,224	53,790	55,404	57,066	58,778
Operating Expenses	0	36,760	37,863	38,999	40,169	41,374	42,615	43,893	45,210	46,566
Management (4%)	0	23,795	24,271	24,751	25,257	25,779	26,272	26,797	27,333	27,880
Real Estate Taxes	0	73,205	74,303	74,303	74,303	74,303	74,303	74,303	74,303	74,303
Total Operating Expenses	0	214,060	219,145	223,248	227,469	231,811	236,279	240,875	245,605	250,470
NET OPERATING INCOME (NOI)	0	108,245	336,668	343,681	350,799	358,022	365,351	372,787	380,331	387,984
REPLACEMENT RESERVES	0	14,100	14,523	14,959	15,407	15,870	16,346	16,836	17,341	17,861
DEBT SERVICE	0	201,446	275,119	313,119	313,119	306,458	303,128	303,128	303,128	303,128
Annual Debt Service (Mini-Perm, Permanent)		0.47	1.17	1.05	1.07	1.12	1.15	1.17	1.20	1.22
DSCR		(107,301)	47,026	15,604	22,273	35,694	45,877	52,823	59,862	66,995
CASH FLOW	0	0	0	0	0	0	0	0	0	0
Tax Equivalency Distributions	0	(10,686)	(30,118)	(30,376)	(30,376)	(30,376)	(4,677)	0	0	0
Annual Priority Return	0	(10,686)	(30,118)	(30,376)	(30,376)	(30,376)	(4,677)	0	0	0
Total Investor Requirements	3.0%	(117,987)	16,907	(14,773)	(8,104)	5,318	41,200	52,823	59,862	66,995
REMAINING CASH FLOW	0	(117,987)	16,907	(14,773)	(8,104)	5,318	41,200	52,823	59,862	66,995
Deferred Developer Fee	90%	0	15,216	0	0	4,786	37,080	47,541	53,876	60,295
Investor - Partner Ownership		99.0%	99.0%	99.0%	99.0%	99.0%	8.4%	0.0%	0.0%	0.0%
Developer/MM - Partner Ownership		1.0%	1.0%	1.0%	1.0%	1.0%	91.6%	100.0%	100.0%	100.0%
Distribution - Investor		0	1,674	(14,625)	(8,023)	526	346	0	0	0
Distribution - Developer/MM		(117,987)	17	(148)	(81)	5	3,774	5,282	6,699	7,422
PURCHASE OF INVESTOR / SALE OF ASSET										
HTC Put							(50,627)			6,088,411
Value of Asset										(304,421)
Selling Cost										(3,752,033)
Remaining Debt Principal										
TOTAL FLOW OF FUNDS (OWNER/DEVELOPER)		(1,650,000)	15,233	(148)	(81)	4,791	(9,773)	52,823	59,862	66,995
Cumulative Cash Flow			(1,767,987)	(1,752,753)	(1,752,982)	(1,748,191)	(1,757,964)	(1,705,141)	(1,645,279)	(1,578,294)
IRR - Leveraged										527,895
TOTAL FLOW OF FUNDS (Unleveraged)		108,245	336,668	343,681	350,799	358,022	365,351	372,787	380,331	387,984
Cumulative Cash Flow		(9,513,544)	(9,405,298)	(9,068,631)	(8,374,151)	(8,016,129)	(7,650,778)	(7,277,991)	(6,897,660)	(6,509,676)
IRR - Unleveraged										6,179,737

**Aines Dairy Lofts
3130 Gillham Rd
With Tax Abatement**

AINES DAIRY LOFTS
3130 Gillham Rd
PROFORMA ANALYSIS, With Tax Abatement

11/16/2021
Assumptions

INCOME

11/16/2021	Lease Up	Construction	Year	1	2	3	4	5	6	7	8	9	10
Assumptions:	annual												
	increases												
INCOME													
Gross Possible Rent - Apartments	2.0%	0	561,000	572,220	583,664	595,338	607,244	619,389	631,777	644,413	657,301	670,447	
Vacancy/Other Losses - Percent		0.0%	45.6%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	
Vacancy/Other Losses - Amount		0	(255,633)	(45,778)	(46,693)	(47,627)	(48,581)	(49,551)	(50,542)	(51,553)	(52,584)	(53,639)	
Total Rental Income, Apartments		0	305,367	526,442	536,971	547,711	558,665	569,838	581,235	592,860	604,717	616,811	
Other Income		0	0	0	0	0	0	0	0	0	0	0	
Total Revenue - Apartments		0	305,367	526,442	536,971	547,711	558,665	569,838	581,235	592,860	604,717	616,811	
Gross Possible Rent - Commercial		0	33,876	34,554	35,245	35,949	36,668	37,402	38,150	38,913	39,691	40,485	
Vacancy/Other Losses - Percent		0.0%	50.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	
Vacancy/Other Losses - Amount		0	(16,938)	(5,183)	(5,287)	(5,392)	(5,500)	(5,610)	(5,722)	(5,837)	(5,954)	(6,073)	
Total Rental Income, Commercial		0	16,938	29,370	29,958	30,557	31,168	31,792	32,427	33,076	33,737	34,412	
Other Income		0	0	0	0	0	0	0	0	0	0	0	
Total Revenue - Commercial		0	16,938	29,370	29,958	30,557	31,168	31,792	32,427	33,076	33,737	34,412	
Effective Gross Income		0	322,305	555,813	566,929	578,268	589,833	601,630	613,662	625,936	638,454	651,223	
EXPENSES													
Operating Expenses	Annual Inflation												
Administrative Expenses	5.77%	0	33,900	34,917	35,965	37,043	38,155	39,299	40,478	41,693	42,944	44,232	
Repair & Maintenance Expenses	7.80%	0	46,400	47,792	49,226	50,703	52,224	53,790	55,404	57,066	58,778	60,541	
Operating Expenses	6.18%	0	36,760	37,863	38,999	40,169	41,374	42,615	43,893	45,210	46,566	47,963	
Management (4%)	4.00%	0	23,795	24,271	24,756	25,251	25,757	26,272	26,797	27,333	27,880	28,437	
Real Estate Taxes	0.82%	0	5,451	5,451	5,451	5,451	5,451	5,451	5,451	5,451	5,451	5,451	
PILOTS (100% Tax Abatement)	1.28%	0	7,621	7,621	7,621	7,621	7,621	7,621	7,621	7,621	7,621	7,621	
Total Operating Expenses													
	25.95%	0	153,927	157,915	162,018	166,238	170,581	175,048	179,645	184,374	189,240	194,246	
NET OPERATING INCOME (NOI)													
		0	168,378	397,898	404,912	412,029	419,252	426,581	434,017	441,561	449,214	456,977	
REPLACEMENT RESERVES													
		0	14,100	14,523	14,959	15,407	15,870	16,346	16,836	17,341	17,861	18,397	
DEBT SERVICE													
Annual Debt Service (Mini-Perm, Permanent)		0	201,446	275,119	313,119	313,119	306,458	303,128	303,128	303,128	303,128	303,128	
DSCR		0	0.77	1.39	1.25	1.27	1.32	1.35	1.38	1.40	1.42	1.45	
CASH FLOW													
Tax Equivalency Distributions		0	0	0	0	0	0	0	0	0	0	0	
Annual Priority Return		0	(10,686)	(30,118)	(30,376)	(30,376)	(30,376)	(30,376)	(4,677)	0	0	0	
Total Investor Requirements	3.0%	0	(10,686)	(30,118)	(30,376)	(30,376)	(30,376)	(30,376)	(4,677)	0	0	0	
REMAINING CASH FLOW													
Deferred Developer Fee	90%	0	(57,854)	78,138	46,458	53,127	66,548	102,431	114,054	121,092	128,225	135,452	
Investor - Partner Ownership		0	0	70,324	41,812	47,814	59,893	92,188	102,648	68,428	0	0	
Developer/MM - Partner Ownership		99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	8.4%	0.0%	0.0%	0.0%	
Distribution - Investor		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	91.6%	100.0%	100.0%	100.0%	100.0%	
Distribution - Developer/MM		0	7,736	4,599	5,260	6,588	861	0	0	0	0	0	
PURCHASE OF INVESTOR / SALE OF ASSET		(57,854)	(1,707,854)	70,402	41,858	47,867	59,960	50,942	114,054	121,092	128,225	135,452	
HTC Put		(1,650,000)											
Value of Asset													
Selling Cost													
Remaining Debt Principal													
TOTAL FLOW OF FUNDS (OWNER/DEVELOPER)													
Cumulative Cash Flow													
IRR - Leveraged													
TOTAL FLOW OF FUNDS (Unleveraged)													
Cumulative Cash Flow													
IRR - Unleveraged													



June 15, 2021

Aines Dairy Lofts – Permanent Loan

To Whom It May Concern:

OakStar Bank (Bank) is pleased to provide you with a Term Sheet outlining proposed financing for the acquisition and renovation of 3130 Gillham Rd, Kansas City, MO 64109. **THIS IS NOT A LOAN COMMITMENT.** The Bank will need to complete its due diligence prior to providing a commitment. A brief summary of terms are as follows:

1. BORROWER(S): Entity to be Determined.
2. GUARANTY: Unlimited Guaranty of Ilan Salzberg, Andrea Salzberg, and Caleb Buland.

Guaranty is subject to receipt and review of tax returns and financial statements of Borrowers and Guarantors. If deemed insufficient, Bank may require additional guarantors.
3. LOAN AMOUNT: Not to exceed the lesser of:
 - i) \$5,500,000;
 - ii) 70% of the “As Stabilized” appraised value of Project (as determined by an independent third party);
 - iii) An amount which would provide a minimum 1.30:1.00 Debt Service Coverage Ratio based upon an independent third party appraiser’s “As Stabilized” Net Operating Income of Project after reserves.
4. INTEREST RATE: 4.25% fixed.
5. TERMS: A 60 month balloon maturity. 24 months of interest followed by 36 months of principal and interest due monthly based on a 20-year amortization. The Bank will entertain the renewal of the loan at maturity.

6. ORIGINATION FEE & COSTS: 1% fee. The Borrower will be responsible for all closing costs including the appraisal, mortgage filing fees, legal fees, and any other third party costs required by the Bank for closing.
7. COLLATERAL: The loan will be secured by a first deed of trust, title insurance, and hazard insurance with the Bank named as mortgagee on 3130 Gillham Rd, Kansas City, MO 64109. The Borrower will assign to Bank all leases and rents related to the property.
8. MISC: In the event that the loan is refinanced or sold within the first 12 months of the term of the note then the loan will have a pre-payment penalty of 3% of the outstanding balance, if the loan is refinanced or sold within the second 12 months of the term of the note then the loan will have a pre-payment penalty of 2% of the outstanding balance, and if the loan is refinanced or sold within the third 12 months of the term of the note then the loan will have a pre-payment penalty of 1% of the outstanding balance. The loan will not have a pre-payment penalty for the remaining term of the note.

Minimum annual Debt Service Coverage Ratio for the Project of 1.30:1.00 measured annually per Federal Tax Returns or Company Prepared Financial Statements, at the discretion of the Bank, starting 12/31/2024 and annually thereafter.

The Borrower will open a property reserve account, which will be pledged as collateral, at OakStar Bank with an initial deposit of \$100. Starting in month 25 and monthly thereafter, the Borrower will be required to deposit a predetermined amount established by a third party appraisal into the reserve account. The monthly deposit will no longer be a requirement once the balance in the account exceeds a predetermined amount.

Terms Sheets labeled Permanent Loan, Federal Historic Tax Credit Loan, and State Historic Tax Credit Loan are only available with acceptance of all three Terms Sheets outlined above.

Upon acceptance of the proposed Terms Sheets, Borrower will be required to deposit \$20,000 with the bank. Deposit will be available for the Bank's out-of-pocket expenses, including, without limitation, appraisals, title work, legal fees and other expenses. Documentation of Bank's out-of-pocket expenses will be provided to the Borrower upon request. Additional deposits may be required if the initial deposit is depleted. If the loan does not close, then any excess funds in the deposit account will be refunded to the Borrower.

Borrower to provide enforceability opinion from counsel in form and substance acceptable to Bank.

Thank you very much for the opportunity to present you with this term sheet. I look forward to gathering the information needed to complete the Banks due diligence and provide you with a formal commitment. **THIS IS NOT A LOAN COMMITMENT.** If you have any questions regarding the above, don't hesitate to call at 913-787-4638.

Thank you,

A handwritten signature in blue ink, appearing to read 'D. Haverkamp', with a stylized, flowing script.

Derek Haverkamp
VP Commercial Lending

AINES DAIRY LOFTS

EDC Redevelopment Project Application

ATTACHMENTS

- A. MAP
- B. DEVELOPMENT SCHEDULE
- C. DESIGN PLANS
- D. DEVELOPER INFORMATION
& PRINCIPAL BIOS
- E. FINANCIAL INFORMATION
- F. LETTERS OF SUPPORT



Eric Bunch
City Councilman, 4th District In District

22nd Floor, City Hall
414 East 12th Street
Kansas City, MO 64106

(816) 513-6518
Fax: (816) 513-1612
e-mail: eric.bunch@kcmo.org

July 08, 2021

Missouri Department of Economic Development - BCS
Historic Tax Credit Program
301 W. High Street
Jefferson City, MO 65101

I am writing to express my complete support for the Exact Partner's application to the Missouri Department of Economic Development.

The proposed Dairy Building project, located at 3130 Gillham Road in Kansas City, Missouri is crucial and compatible with the efforts being made to redevelop and reinvigorate the Main Street corridor.

As Councilperson, I am confident that the completion of the mixed-use project will contribute to Midtown's economic growth by expanding housing options and increasing safety and walkability in the area by introducing new services and retail opportunities into the corridor.

I am aware of Exact Partners' previous and ongoing historic projects in Kansas City and have full faith in their ability to execute a project of this scale.

As such, I believe this project deserves consideration from the Missouri Department of Economic Development for its Historic Tax Credit Program.

Thank you for your consideration of the Exact Partner's application. Please feel free to contact my office directly if I can be of any further assistance.

Sincerely,

Eric Bunch
Councilman, 4th District

