

# Assessment Data

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ID: **43 21-04-194-006**  
 Name: **WOLLRAB, FRED**  
 Address 1:  
 Address 2: **107 HILLTOP**  
 City, St., Zip: **BLOOMINGTON , IL , 61701**

Prop. Address	115 E MONROE		
Sale Date	1/30/2009	Adjustment	0
Sale Price	1387231	Adj. Sales Price	1387231
Updated	1/7/2013 2	Adj. Ratio	62.52
Use Code	C 0060	Flag	7b
School Dis	087	Financing	1
Tax Code	4001	Sale Use	7
Current Tax Rate	0.0782128	Document	09/3513
Current EAV	50657	Deed	12/33084
NH	100	Previous SD	N/A
Assmt Year	<b>2012 S/A</b>	Previous SP	0
Land	18297	Previous Ratio	0
Farmland	0	Homestead	0
Building	32360	Senior	0
Farm Bldg	0	Frozen Amount	0
Total	50657	HIE	N/A 0
Permit Date	1/12/1999	Permit Number	BC990003
Permit Amount	2100	Permit For	10X14 OFFICE
Comment	1/7/13-QC-Deed		
Reason for change	COMMERCIAL REVALUATION		
Legal	SUBN L1, 2, 3, 4, 5 & 6 - ORIGINAL TOWN L1, 4, 5 & 8		

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Name and address	Kind of work	Amount of contract	Retention	Net Previously Paid	Net Amount This Payment	Balance to complete
City Of Bloomington	Permit Fees	\$ 3,500.00				\$ 3,500.00
BNWRD	Water reclamation permit	\$ 45,000.00				\$ 45,000.00
City Of Bloomington	Engineering permit / water meters	\$ 6,835.00				\$ 6,835.00
Bonnell Arch.	Blue prints	\$ 17,000.00				\$ 17,000.00
City Of Bloomington	Plan review	\$ 2,520.00				\$ 2,520.00
City Of Bloomington	Parking permits	\$ 650.00				\$ 650.00
Copy Shop	Copy/ printing allowance	\$ 900.00				\$ 900.00
As Needed	Engineering/Surveys	\$ 6,500.00				\$ 6,500.00
Ameren	Temporary electric	\$ 1,500.00				\$ 1,500.00
RJV Construction	Temp lighting	\$ 650.00				\$ 650.00
SOS Plumbing / Capodice Excv.	Water service allowance	\$ 15,000.00				\$ 15,000.00
City Of Bloomington	Street repair	\$ 3,500.00				\$ 3,500.00
Wilcox Electric	Electric service	\$ 19,500.00				\$ 19,500.00
Clear Stone Const./ RJV Construction	Elevation design	\$ 1,650.00				\$ 1,650.00
Nitor gas	Gas service 1st floor (commercial)	\$ 2,500.00				\$ 2,500.00
Heritage machine / Fabrication	Site signage	\$ 525.00				\$ 525.00
RJV Construction	Site work	\$ 5,000.00				\$ 5,000.00
RJV Construction	Demolition	\$ 24,480.00				\$ 24,480.00
RJV Construction	Furniture and appliance moving	\$ 3,500.00				\$ 3,500.00
RP Lumber	Framing materials	\$ 75,000.00				\$ 75,000.00
Feeney Homes	Framing labor	\$ 52,000.00				\$ 52,000.00
Halley Crane	Crane usage	\$ 8,000.00				\$ 8,000.00
Precision Fabrication	Steel beams	\$ 5,000.00				\$ 5,000.00
RP Lumber	Steel posts	\$ 750.00				\$ 750.00
Fastenal	Fasteners	\$ 1,750.00				\$ 1,750.00
RJV Construction/ Woodford window & door/ Windows, doors, & more Inc	Windows labor & material	\$ 69,607.00				\$ 69,607.00
Liberty Glass	Lobby Doors	\$ 7,500.00				\$ 7,500.00
Liberty Glass	Exterior doors	\$ 6,000.00				\$ 6,000.00
Liberty Glass	Exterior door labor	\$ 5,500.00				\$ 5,500.00
H&O Roofing	Cooling on roof parapet wall	\$ 9,500.00				\$ 9,500.00
RJV Construction	Front canopies	\$ 3,600.00				\$ 3,600.00
RJV Construction	Exterior Finish	\$ 5,500.00				\$ 5,500.00
RJV Construction	Exterior labor	\$ 6,900.00				\$ 6,900.00
Garneau Construction	Brick Work	\$ 56,400.00				\$ 56,400.00
RJV Construction/ Garneau Const.	Door for parking garage	\$ 12,500.00				\$ 12,500.00
Air Tec HVAC	Hvac	\$ 97,200.00				\$ 97,200.00
SOS Plumbing	Plumbing	\$ 82,243.00				\$ 82,243.00
Prairie Sprinkler	Sprinkler allowance	\$ 67,646.00				\$ 67,646.00
Holtz Supply	Fxtures	\$ 14,900.00				\$ 14,900.00
Wilcox Electric	Electrical	\$ 88,225.00				\$ 88,225.00
Wilcox Electric	Low voltage (intercom)	\$ 10,600.00				\$ 10,600.00
Lowes	Lighting	\$ 14,900.00				\$ 14,900.00
Wilcox Electric	Elevator Electrical	\$ 3,500.00				\$ 3,500.00
Wilcox Electric	Exterior Lighting	\$ 4,500.00				\$ 4,500.00
U.S. Insulation	Insulation	\$ 33,894.00				\$ 33,894.00
Kone Elevator	Elevator	\$ 96,000.00				\$ 96,000.00
RJV Construction	Drywall	\$ 72,864.00				\$ 72,864.00
RJV Construction	Painting	\$ 59,500.00				\$ 59,500.00
RJV Construction	Exterior painting	\$ 6,500.00				\$ 6,500.00
Lowes	Hardware	\$ 6,400.00				\$ 6,400.00
RJV Construction	Flooring	\$ -				\$ -
RJV Construction	Subfloor repair	\$ 3,500.00				\$ 3,500.00
RJV Construction	Tile	\$ 19,500.00				\$ 19,500.00
RJV Construction	Hardwood	\$ 24,068.00				\$ 24,068.00
RJV Construction	Stair treads	\$ 6,500.00				\$ 6,500.00
Occum Cabinets	Kitchen Cab	\$ 42,500.00				\$ 42,500.00
Heartland Granite	Counter top	\$ 22,500.00				\$ 22,500.00
RJV Construction	Delivery	\$ 1,450.00				\$ 1,450.00
Wilcox Electric	Microwave/hood installation	\$ 1,500.00				\$ 1,500.00
Occum Cabinets / Heartland granite	Bath vanity & tops	\$ 9,750.00				\$ 9,750.00
RP Lumber	Trim Pack	\$ 61,500.00				\$ 61,500.00
RJV Construction	Trim labor	\$ 34,500.00				\$ 34,500.00
RJV Construction	Closet systems	\$ 5,000.00				\$ 5,000.00
Lowes	Mirrors and shower doors	\$ 1,750.00				\$ 1,750.00
RJV Construction	Punch-out items	\$ 6,000.00				\$ 6,000.00
RJV Construction	Rough cleaning	\$ 4,500.00				\$ 4,500.00
Midstate gutter	gutters	\$ 1,500.00				\$ 1,500.00
Lowes	Appliances	\$ 37,500.00				\$ 37,500.00
RJV Construction	Cleaning	\$ 8,000.00				\$ 8,000.00
Contracting services & disposal	Disposal	\$ 16,000.00				\$ 16,000.00
Midwest rentals	Lift rental	\$ 11,000.00				\$ 11,000.00
Green building LLC	Interest / Carrying costs	\$ 47,500.00				\$ 47,500.00
Miller Dredge Insurance	Insurance	\$ 4,500.00				\$ 4,500.00
Ameren	Temporary utilities	\$ 4,750.00				\$ 4,750.00
RJV Construction	Miscellaneous soft costs	\$ 25,000.00				\$ 25,000.00
RJV Construction	Front Stair case allowance	\$ 36,500.00				\$ 36,500.00
RJV Construction	Entry from East St. to lobby	\$ 19,500.00				\$ 19,500.00
	Subtotal cost	\$ 1,600,967.00				\$ 1,600,967.00
RJV Construction	Construction overhead Fee 1%	\$ 16,009.57				\$ 16,009.57
	<b>TOTAL</b>	<b>\$ 1,616,966.67</b>				

Job Total	\$ 1,616,966.67
Work completed to date	\$ -
Loss % retained	\$ -
Net amount earned	\$ -
Net previously paid	\$ -
Net amount of this print	\$ -
Balance to become due	\$ -

Amount of original contract	\$ 1,616,966.57
Extras to contract	
Total contract and extras	
Adjusted total contract	

# TOWN OF THE CITY OF BLOOMINGTON

Michael Ireland, C.A.E., Assessor

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Bloomington, Illinois 61701

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## MEMORANDUM

**To:** Fred Wollrab & Robert Vericella  
**From:** Michael Ireland  
**Date:** December 22, 2011  
**Subject:** Property Assessment estimate for work to be completed

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I have review the information on the current assessment records at the below referenced property. The current assessments are as follows:

115 E Monroe	2011 Assessment	New Assessment
	21-04-194-006	@ Completion of work 2013
Land	\$18,861	\$18,861
Improvements	\$33,359	\$411,139
Total	\$52,220	\$430,000

The table above reflects the estimated value of the property located at 115 E Monroe, Bloomington IL after the completion of proposed improvements converting the improvements into a multi-unit rental property with a commercial/retail space on the ground floor. The estimate is based on the income and expense prospectus attached and supplied by the developers, Fred Wollrab, and Robert Vericella. Because the prospectus includes a Reserve for Replacement of \$10,000 annually the capitalization rate was reduce from 10% to 9.25% as this reduces risk and thus reduces the capitalization rate increasing the value estimate on the assumption this funds would be transferred upon sale to covered repair and replacement of short-life items, e.g. roof, carpet, HVAC, etc. This amount is above the normal repair & maintenance cost needed annually to keep property rented and occupied.

It is my opinion that the earliest this value change would occur on the tax roll would be the 2013 tax year, payable in the spring of 2014. The estimated increment in assessed value is 8 times more than the current assessment. Using 2010 tax rates when fully assessed the taxes on this property would change from the current \$4,069.88 to \$33,512.95.

Estimates of rental units are based primarily on capitalized income streams in conjunction with the proposed improvements that would support the project income. The ratio of expenses gross income falls within normal industry standards expectations if not slightly on the high end. The value test reflects a debt coverage ratio of 1.76 meaning the Net Operating Income is 76% higher than the annualized debt service. The owner has indicated they can obtain financing at a 5% interest rate. The anticipated return to the equity position is 16% more than an adequate amount to attract an investor, where 12% is usually an acceptable amount seen in this type of real estate investment. Any changes to the debt to equity investment criteria would have an impact on the capitalization rate used in this analysis and may cause the value estimate to be revised.

Feel free to contact me with any questions.

Michael Ireland, CAE

Assessor

### Valuation Analysis

**Prepared By:** Michael Ireland  
**Analysis Date:** 04.25.2013  
**Property Address:** 115 E Monroe  
**Square Foot Area:** 32,384

Unit	Income	Calculation Method	# Units or SF Size	Annual	% of PGI
Efficiency	\$600.00	\$/Mo.	4	\$28,800	14.2%
1 Bedroom	\$850.00	\$/Mo.	3	\$30,600	15.1%
2 Bedroom	\$1,000.00	\$/Mo.	6	\$72,000	35.6%
1st Floor Retail	\$2,900.00	\$/Mo.	1	\$34,800	17.2%
2 Bedroom Deluxe	\$1,500.00	\$/Mo.	2	\$36,000	17.8%

Potential Gross Income (PGI):		<u>\$202,200</u>	100.0%
Vacancy and Collection Loss:	<u>5.50%</u>	<u>\$11,121</u>	
Other Income:			
Effective Gross Income (EGI):		<u>\$191,079</u>	94.5%

Expenses	Amount \$ or %	Calculation Method	Annual	\$/SF
Insurance	\$4,800	Lump Sum	\$4,800	\$0.15
Legal	\$800.00	Lump Sum	\$800	\$0.02
Repairs & Maintenance	\$12,000.00	Lump Sum	\$12,000	\$0.37
Utilities/Water	\$400.00	Lump Sum	\$400	\$0.01
Utilities/Electric	\$2,400.00	Lump Sum	\$2,400	\$0.07
Advertising	\$1,200.00	Lump Sum	\$1,200	\$0.04
Trash Removal	\$4,800.00	Lump Sum	\$4,800	\$0.15
Management	8%	% of EGI	\$15,286	\$0.47
Reserves	\$10,000.00	Lump Sum	\$10,000	\$0.31

Total Expenses:		<u>\$51,686</u>	\$1.60
Expense Ratio (Expenses/EGI):		<u>27.0%</u>	
Reimbursable Expenses:			

Net Operating Income (NOI):		<u>\$139,393</u>	\$4.30
Capitalization Rate:		<u>9.50%</u>	
Value:		<u>\$1,467,291</u>	\$45.31
Rounded:		<u>\$1,053,000</u>	\$32.52

## Capitalization Rate Tools

Mortgage Equity Analysis					
Mortgage Constant*			Loan Ratio		Contributions
0.073542	x		80.0%	=	5.88%
Equity Yield Rate			Equity Ratio		
12.00%	x		20%	=	2.40%
					8.28%
Less Equity Buildup:					
Loan ratio x percent paid off* x sinking fund factor (SFF)					
80.0%	x	17.87%	x	0.15741	= -2.25%
Adjustment for Depreciation or Appreciation:					
Plus depreciation (or minus appreciation) x SFF					
		0.0%	x	0.15741	= 0.00%
<b>Capitalization Rate</b>					<b>= 6.03%</b>

Debt Coverage Ratio Analysis					
Debt Coverage Ratio x Loan to Value Ratio x Mortgage Constant**					
1.2	x	80.0%	x	0.07354	= 0.07060
<b>Capitalization Rate</b>					<b>= 7.06%</b>

* Investment Holding Period:	5
** Mortgage Constant Variables:	Rate: <b>4.13%</b> Term: <b>20</b>

## Value Tests

Measure		Notes
Net Operating Income	\$139,393	Before debt income from valuation analysis.
Debt Service	(\$86,326)	Debt service calculated from Mortgage Equity Analysis above and indicated value.
Debt Coverage Ratio	1.61	This is the amount that NOI exceeds debt. In this case, the ratio is greater than 1.2, which is generally considered reasonable by most lenders, depending on the risk characteristics of the property.
Equity Dividend	\$53,066 18.1%	This is the annual return on the amount invested. The total return may be higher or lower, depending on appreciation and mortgage paydown. In this case, the rate is greater than 10%, which is often adequate to motivate an investor.

115 Monroe

Unit Type	Rent Amount	Number of Units	Res Vacancy	Rate	Com Vacancy	Rate
Efficiency	\$ 600.00	4	Year 1	3%	Year 1	3%
1 Bedroom	\$ 850.00	3	Year 2	3%	Year 2	3%
2 Bedroom	\$ 1,000.00	6	Stabilized	3%	Stabilized	3%
2 Bedroom Deluxe	\$ 1,500.00	2				
4 Bedroom	\$ -	0				
<b>Total</b>	\$ 3,950.00	15	<b>Loan Amt</b>	<b>Rate</b>	<b>Amortization</b>	<b>Debt Service</b>
			\$ 1,113,127.00	4%	20	(\$82,814.98)
			\$ 84,166.00	\$ -	0	0
<b>Gross Residential Rent</b>	\$ 167,400.00		<b>Developer EQ</b>			
<b>Commercial Space</b>	<b>Mo. Rent Amount</b>					
2	\$ 2,900.00					
			<b>Tenant Contributions</b>	<b>Lease Sq Ft.</b>	<b>Amt per Sq Ft</b>	<b>Inc</b>
						3%
<b>Gross Commercial Rent</b>	\$ 69,600.00		<b>Total</b>		\$ -	
<b>Operating Expenses</b>	<b>Monthly Amount</b>	<b>Annual Amount</b>	<b>Additional Income</b>	<b>Per Month</b>	<b>Inc</b>	
Taxes/Real Estate	\$ 2,833.00	\$ 33,996.00			2%	
Insurance	\$ 400.00	\$ 4,800.00	<b>Total</b>	\$ -		
Management Fee	\$ 1,011.00	\$ 12,132.00				
Adverstising	\$ 50.00	\$ 600.00	<b>Inc</b>	<b>Rate</b>		
Legal & License	\$ 66.00	\$ 792.00	Residential Rent	3%		
Maintenace	\$ 1,000.00	\$ 12,000.00	Commercial Rent	3%		
Utilities	\$ 100.00	\$ 1,200.00	Operating Expenses	3%		
Miscellaneous	\$ 166.00	\$ 1,992.00				
<b>Total</b>	\$ 5,626.00	\$ 67,512.00				
<b>Reserves</b>	<b>Per Unit/Per Month</b>	<b>Annual Amount</b>				
Replacements	\$ 350.00	63000				

## 115 East Monroe

### PRE-TAX CASH FLOW

Revenues	1	2	3	4	5	6	7	8	9	10
<b>Gross Residential Rent</b>	167,400	172,422	177,595	182,922	188,410	194,062	199,884	205,881	212,057	218,419
+Other Income	0	0	0	0	0	0	0	0	0	0
<u>- Residential Vacancy</u>	<u>5,022</u>	<u>5,173</u>	<u>5,328</u>	<u>5,488</u>	<u>5,652</u>	<u>5,822</u>	<u>5,997</u>	<u>6,176</u>	<u>6,362</u>	<u>6,553</u>
<b>= Residential Income</b>	162,378	167,249	172,267	177,435	182,758	188,241	193,888	199,704	205,696	211,866
<b>Gross Commercial Rent</b>	69,600	71,688	73,839	76,054	78,335	80,685	83,106	85,599	88,167	90,812
<u>+ Tenant Contributions</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
= Commercial Rent	69,600	71,688	73,839	76,054	78,335	80,685	83,106	85,599	88,167	90,812
<u>- Commercial Vacancy</u>	<u>2,088</u>	<u>2,151</u>	<u>2,215</u>	<u>2,282</u>	<u>2,350</u>	<u>2,421</u>	<u>2,493</u>	<u>2,568</u>	<u>2,645</u>	<u>2,724</u>
<b>=Commercial Income</b>	67,512	69,537	71,623	73,772	75,985	78,265	80,613	83,031	85,522	88,088
<b>= Effective Gross Income</b>	229,890	236,787	243,890	251,207	258,743	266,506	274,501	282,736	291,218	299,954
<b>Operating Expenses</b>										
Taxes/Real Estate	33,996	35,016	36,066	37,148	38,263	39,411	40,593	41,811	43,065	44,357
Insurance	4,800	4,944	5,092	5,245	5,402	5,565	5,731	5,903	6,080	6,263
Management Fee	12,132	12,496	12,871	13,257	13,655	14,064	14,486	14,921	15,368	15,830
Advertising	600	618	637	656	675	696	716	738	760	783
Legal & License	792	816	840	865	891	918	946	974	1,003	1,033
Maintaince	12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201	15,657
Utilities	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
<u>Misc</u>	<u>1,992</u>	<u>2,052</u>	<u>2,113</u>	<u>2,177</u>	<u>2,242</u>	<u>2,309</u>	<u>2,379</u>	<u>2,450</u>	<u>2,523</u>	<u>2,599</u>
= Total Operating Expenses	67,512	69,537	71,623	73,772	75,985	78,265	80,613	83,031	85,522	88,088
- Transfer to Reserves	63,000	64,890	66,837	68,842	70,907	73,034	75,225	77,482	79,807	82,201
<b>= Net Operating Income</b>	99,378	102,359	105,430	108,593	111,851	115,206	118,663	122,222	125,889	129,666
- Debt Service (p+i) bank	(82,815)	(82,815)	(82,815)	(82,815)	(82,815)	(82,815)	(82,815)	(82,815)	(82,815)	(82,815)
- Other Debt Service (p+i)	0	0	0	0	0	0	0	0	0	0
Total Debt Service	(82,815)	(82,815)	(82,815)	(82,815)	(82,815)	(82,815)	(82,815)	(82,815)	(82,815)	(82,815)
<b>= Cash Flow</b>	16,563	19,544	22,615	25,778	29,036	32,391	35,848	39,407	43,074	46,851
Debt Coverage Ratio-Bank Loan	1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48	1.52	1.57
Cash on Cash (e=CF/EQ)	0.20	0.23	0.27	0.31	0.34	0.38	0.43	0.47	0.51	0.56



Development Budget								
ITEM	COST	% TOTAL	Depreciable	Amortize	Non-Depr.	Historic RTC	LIHTC 4%	LIHTC 9%
<b>ACQUISITION</b>								
Build Acquisition	0	0.00%	0				0	
Land Acquisition	0	0.00%			0			
<b>SITE IMPROVEMENTS</b>								
Demolition	24,480	1.51%	24,480			24,480	24,480	24,480
On-Site Imp.	5,000	0.31%	5,000				5,000	5,000
Off-Site Imp.	3,500	0.22%			3,500			
<b>CONSTRUCTION</b>								
Rehabilitation	1,321,996	81.76%	1,321,996			1,321,996	1,321,996	1,321,996
New Construction	0	0.00%	0				0	0
General Requirements	0	0.00%	0			0	0	0
Contractor Overhead	16,010	0.99%	16,010			16,010	16,010	16,010
Contractor Profit	0	0.00%	0			0	0	0
P & P Bond or LOC	0	0.00%	0			0	0	0
Contingency	25,000	1.55%	25,000			25,000	25,000	25,000
Permits & Impact Fees	15,485	0.96%	15,485			15,485	15,485	15,485
Furnishings/Appliances	37,500	2.32%	37,500				37,500	37,500
Relocation	0	0.00%	0				0	0
Plan Review	2,520	0.16%	2,520			2,520	2,520	2,520
<b>PROFESSIONAL FEES</b>								
Architect & Engineer	18,650	1.15%	18,650			18,650	18,650	18,650
Real Estate Legal	0	0.00%	0			0	0	0
Consultants	0	0.00%	0			0	0	0
Developer Fee	0	0.00%	0			0	0	0
Environmental	0	0.00%	0			0	0	0
Cost Certification	0	0.00%	0			0	0	0
Accounting	0	0.00%	0			0	0	0
Survey	6,500	0.40%	6,500			6,500	6,500	6,500
Other	0	0.00%	0			0	0	0
<b>CONSTRUCTION FINANCE</b>								
Title and Recording	0	0.00%	0			0	0	0
Constr. Interest/Carrying Costs	47,500	2.94%	47,500			47,500	47,500	47,500
Constr. Loan Fees	0	0.00%	0			0	0	0
Appraisal	0	0.00%	0			0	0	0
Market Study	0	0.00%	0			0	0	0
Lender Legal	0	0.00%	0			0	0	0
Other	0	0.00%	0			0	0	0
<b>PERMANENT FINANCE</b>								
Perm. Loan Fees	0	0.00%		0				
Credit Enhancement	0	0.00%		0				
Title and Recording	0	0.00%		0				
Lender Legal	0	0.00%		0				
Other	0	0.00%		0				
<b>SOFT COSTS</b>								
Property Taxes	0	0.00%	0			0	0	0
Constr. Insurance	47,500	2.94%	47,500			47,500	47,500	47,500
Other Depreciable Soft	0	0.00%	0			0	0	0
Tax Credit Appl. Fee	0	0.00%		0				
Tax Credit Mon. Fee	0	0.00%		0				
Marketing Expense	1,425	0.09%		1,425				
Organizational Exp.	0	0.00%		0				
Other Amort. Soft	0	0.00%		0				
Syndication Expense	0	0.00%			0			
Utilities	43,900	2.71%			43,900			
Rentup Expense	0	0.00%			0			
<b>RESERVES</b>								
Rentup Reserve	0	0.00%			0			
Operating Reserve	0	0.00%			0			
Bond D/S Reserve	0	0.00%			0			
Working Capital	0	0.00%			0			
Other	0	0.00%			0			
<b>DEVELOPMENT COST</b>	<b>1,616,966</b>	<b>100.00%</b>	<b>1,568,141</b>	<b>1,425</b>	<b>47,400</b>	<b>1,525,641</b>	<b>1,568,141</b>	<b>1,568,141</b>

115 Monroe

Unit Type	Rent Amount	Number of Units	Res Vacancy	Rate	Com Vacancy	Rate
Effeciency	\$ 600.00	4	Year 1	3%	Year 1	3%
1 Bedroom	\$ 850.00	3	Year 2	3%	Year 2	3%
2 Bedroom	\$ 1,000.00	6	Stabilized	3%	Stabilized	3%
2 Bedroom Deluxe	\$ 1,500.00	2				
4 Bedroom	\$ -	0				
<b>Total</b>	\$ 3,950.00	15	<b>Loan Amt</b>	<b>Rate</b>	<b>Amortization</b>	<b>Debt Service</b>
			\$ 1,200,000.00	4%	20	(\$89,278.20)
			\$ -	\$ -	0	0
<b>Gross Residential Rent</b>	\$ 167,400.00		<b>Developer EQ</b>			
			\$ 307,466.00			
<b>Commercial Space</b>	<b>Mo. Rent Amount</b>					
2	\$ 2,900.00					
			<b>Tenant Contributions</b>	<b>Lease Sq Ft.</b>	<b>Amt per Sq Ft</b>	<b>Inc</b>
						3%
<b>Gross Commercial Rent</b>	\$ 69,600.00		<b>Total</b>		\$ -	
<b>Operating Expenses</b>	<b>Monthly Amount</b>	<b>Annual Amount</b>	<b>Additional Income</b>	<b>Per Month</b>	<b>Inc</b>	
Taxes/Real Estate	\$ 600.00	\$ 7,200.00			2%	
Insurance	\$ 400.00	\$ 4,800.00	<b>Total</b>	\$ -		
Management Fee	\$ 1,011.00	\$ 12,132.00				
Adverstising	\$ 50.00	\$ 600.00	<b>Inc</b>	<b>Rate</b>		
Legal & License	\$ 66.00	\$ 792.00	Residential Rent	3%		
Maintenace	\$ 1,000.00	\$ 12,000.00	Commercial Rent	3%		
Utilities	\$ 100.00	\$ 1,200.00	Operating Expenses	3%		
Miscellaneous	\$ 166.00	\$ 1,992.00				
<b>Total</b>	\$ 3,393.00	\$ 40,716.00				
<b>Reserves</b>	<b>Per Unit/Per Month</b>	<b>Annual Amount</b>				
Replacements	\$ 350.00	63000				

## 115 East Monroe

### PRE-TAX CASH FLOW

Revenues	1	2	3	4	5	6	7	8	9	10
<b>Gross Residential Rent</b>	167,400	172,422	177,595	182,922	188,410	194,062	199,884	205,881	212,057	218,419
+Other Income	0	0	0	0	0	0	0	0	0	0
<u>- Residential Vacancy</u>	<u>5,022</u>	<u>5,173</u>	<u>5,328</u>	<u>5,488</u>	<u>5,652</u>	<u>5,822</u>	<u>5,997</u>	<u>6,176</u>	<u>6,362</u>	<u>6,553</u>
<b>= Residential Income</b>	162,378	167,249	172,267	177,435	182,758	188,241	193,888	199,704	205,696	211,866
<b>Gross Commercial Rent</b>	69,600	71,688	73,839	76,054	78,335	80,685	83,106	85,599	88,167	90,812
<u>+ Tenant Contributions</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
= Commercial Rent	69,600	71,688	73,839	76,054	78,335	80,685	83,106	85,599	88,167	90,812
<u>- Commercial Vacancy</u>	<u>2,088</u>	<u>2,151</u>	<u>2,215</u>	<u>2,282</u>	<u>2,350</u>	<u>2,421</u>	<u>2,493</u>	<u>2,568</u>	<u>2,645</u>	<u>2,724</u>
<b>=Commercial Income</b>	67,512	69,537	71,623	73,772	75,985	78,265	80,613	83,031	85,522	88,088
<b>= Effective Gross Income</b>	229,890	236,787	243,890	251,207	258,743	266,506	274,501	282,736	291,218	299,954
<b>Operating Expenses</b>										
Taxes/Real Estate	7,200	7,416	7,638	7,868	8,104	33,500	34,505	35,540	36,606	37,705
Insurance	4,800	4,944	5,092	5,245	5,402	5,565	5,731	5,903	6,080	6,263
Management Fee	12,132	12,496	12,871	13,257	13,655	14,064	14,486	14,921	15,368	15,830
Advertising	600	618	637	656	675	696	716	738	760	783
Legal & License	792	816	840	865	891	918	946	974	1,003	1,033
Maintaince	12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201	15,657
Utilities	1,200	1,236	1,273	1,311	1,351	1,391	1,433	1,476	1,520	1,566
<u>Misc</u>	<u>1,992</u>	<u>2,052</u>	<u>2,113</u>	<u>2,177</u>	<u>2,242</u>	<u>2,309</u>	<u>2,379</u>	<u>2,450</u>	<u>2,523</u>	<u>2,599</u>
= Total Operating Expenses	40,716	41,937	43,196	44,491	45,826	72,354	74,525	76,761	79,063	81,435
- Transfer to Reserves	63,000	64,890	66,837	68,842	70,907	73,034	75,225	77,482	79,807	82,201
<b>= Net Operating Income</b>	126,174	129,959	133,858	137,874	142,010	121,117	124,751	128,493	132,348	136,318
- Debt Service (p+i) bank	(89,278)	(89,278)	(89,278)	(89,278)	(89,278)	(89,278)	(89,278)	(89,278)	(89,278)	(89,278)
- Other Debt Service (p+i)	0	0	0	0	0	0	0	0	0	0
Total Debt Service	(89,278)	(89,278)	(89,278)	(89,278)	(89,278)	(89,278)	(89,278)	(89,278)	(89,278)	(89,278)
<b>= Cash Flow</b>	36,896	40,681	44,580	48,596	52,732	31,839	35,472	39,215	43,070	47,040
Debt Coverage Ratio-Bank Loan	1.41	1.46	1.50	1.54	1.59	1.36	1.40	1.44	1.48	1.53
Cash on Cash (e=CF/EQ)	0.12	0.13	0.14	0.16	0.17	0.10	0.12	0.13	0.14	0.15

Development Budget								
ITEM	COST	% TOTAL	Depreciable	Amortize	Non-Depr.	Historic RTC	LIHTC 4%	LIHTC 9%
<b>ACQUISITION</b>								
Build Acquisition	0	0.00%	0				0	
Land Acquisition	0	0.00%			0			
<b>SITE IMPROVEMENTS</b>								
Demolition	24,480	1.51%	24,480			24,480	24,480	24,480
On-Site Imp.	5,000	0.31%	5,000				5,000	5,000
Off-Site Imp.	3,500	0.22%			3,500			
<b>CONSTRUCTION</b>								
Rehabilitation	1,321,996	81.76%	1,321,996			1,321,996	1,321,996	1,321,996
New Construction	0	0.00%	0				0	0
General Requirements	0	0.00%	0			0	0	0
Contractor Overhead	16,010	0.99%	16,010			16,010	16,010	16,010
Contractor Profit	0	0.00%	0			0	0	0
P & P Bond or LOC	0	0.00%	0			0	0	0
Contingency	25,000	1.55%	25,000			25,000	25,000	25,000
Permits & Impact Fees	15,485	0.96%	15,485			15,485	15,485	15,485
Furnishings/Appliances	37,500	2.32%	37,500				37,500	37,500
Relocation	0	0.00%	0				0	0
Plan Review	2,520	0.16%	2,520			2,520	2,520	2,520
<b>PROFESSIONAL FEES</b>								
Architect & Engineer	18,650	1.15%	18,650			18,650	18,650	18,650
Real Estate Legal	0	0.00%	0			0	0	0
Consultants	0	0.00%	0			0	0	0
Developer Fee	0	0.00%	0			0	0	0
Environmental	0	0.00%	0			0	0	0
Cost Certification	0	0.00%	0			0	0	0
Accounting	0	0.00%	0			0	0	0
Survey	6,500	0.40%	6,500			6,500	6,500	6,500
Other	0	0.00%	0			0	0	0
<b>CONSTRUCTION FINANCE</b>								
Title and Recording	0	0.00%	0			0	0	0
Constr. Interest/Carrying Costs	47,500	2.94%	47,500			47,500	47,500	47,500
Constr. Loan Fees	0	0.00%	0			0	0	0
Appraisal	0	0.00%	0			0	0	0
Market Study	0	0.00%	0			0	0	0
Lender Legal	0	0.00%	0			0	0	0
Other	0	0.00%	0			0	0	0
<b>PERMANENT FINANCE</b>								
Perm. Loan Fees	0	0.00%		0				
Credit Enhancement	0	0.00%		0				
Title and Recording	0	0.00%		0				
Lender Legal	0	0.00%		0				
Other	0	0.00%		0				
<b>SOFT COSTS</b>								
Property Taxes	0	0.00%	0			0	0	0
Constr. Insurance	47,500	2.94%	47,500			47,500	47,500	47,500
Other Depreciable Soft	0	0.00%	0			0	0	0
Tax Credit Appl. Fee	0	0.00%		0				
Tax Credit Mon. Fee	0	0.00%		0				
Marketing Expense	1,425	0.09%		1,425				
Organizational Exp.	0	0.00%		0				
Other Amort. Soft	0	0.00%		0				
Syndication Expense	0	0.00%			0			
Utilities	43,900	2.71%			43,900			
Rentup Expense	0	0.00%			0			
<b>RESERVES</b>								
Rentup Reserve	0	0.00%			0			
Operating Reserve	0	0.00%			0			
Bond D/S Reserve	0	0.00%			0			
Working Capital	0	0.00%			0			
Other	0	0.00%			0			
<b>DEVELOPMENT COST</b>	<b>1,616,966</b>	<b>100.00%</b>	<b>1,568,141</b>	<b>1,425</b>	<b>47,400</b>	<b>1,525,641</b>	<b>1,568,141</b>	<b>1,568,141</b>