

TO: Thomas Dolan, Town of Babylon Industrial Development Agency
FROM: Kevin F. Gremse, National Development Council *KFG*
DATE: November 26, 2018
SUBJECT: 75 E. Hoffman LH, LLC
Lindenhurst Residences

The National Development Council (“NDC”) has a limited engagement with the Town of Babylon Industrial Development Agency (the “IDA”) to review applications for tax assistance. NDC is a national non-profit development finance advisory company that works on behalf of municipalities and public benefit corporations around the country to evaluate the need for and determine the appropriate mix and sizing of economic development financial incentives. The purpose of this memo is to describe NDC’s project understanding and findings.

PROJECT SUMMARY

75 E. Hoffman LH, LLC (the “Developer”), an affiliate of TRITEC Real Estate Company (TRITEC), submitted a Uniform Joint Application for tax assistance for the above-referenced 260-unit transit-oriented development (TOD) in the Village of Lindenhurst. The application requests a sales tax and a mortgage recording tax exemption in addition to a payment in-lieu of taxes (“PILOT”). The developer is an accomplished vertically integrated real estate investment, development, and construction firm based in East Setauket. It has established a diverse residential and commercial real estate portfolio that includes several comparable transformative residential developments such as the 291-unit New Village in Patchogue and the 112-unit Shipyard in Port Jefferson.



Rendering of The Residences at Lindenhurst

The \$102.6 million multi-family project involves the construction of two hundred and sixty (260) mixed-income residential units on a 7.14-acre site, directly across from the Village of Lindenhurst (Village) LIRR Train Station. It provides pedestrian-friendly access to the Village’s main downtown intersection at Wellwood and Hoffman Avenue. The property was rezoned to Downtown Redevelopment District (DRD) from the Industrial Zoning District and has received all land use approvals from the Village. The purpose

of the DRD is to encourage residential development and redevelopment on properties within walking distance to the LIRR station and the central business district (CBD). The intent of the proposed Lindenhurst Residences project is to redevelop a group of partially vacant and underutilized buildings into high-quality transit oriented development (TOD) as a catalyst for further investment and developments in the Village. The development responds to the acute need for quality rental housing in the region as a means of attracting and retaining young working singles and families as well as provide opportunities for seniors and retirees to downsize. The project will incorporate the core elements of Smart Growth principles, thoughtful land use planning, and quality design.

The Project will include the construction of 260 residential rental units and 379 parking spaces, including 51 subterranean spaces and 40 land-banked spaces, as well as a vehicular and pedestrian bridge across the Neguntatogue Creek. The unit mix is as follows: 11 studio apartments, 162 one-bedrooms apartments, 75 two-bedrooms apartments and 12 three-bedroom apartments. Ten percent (10% or 26 units) of the units will be workforce units. The workforce units will be affordable to households earning 115% of area median income (AMI) for the Nassau Suffolk labor market area. The average rent for the workforce units is estimated at \$2,163. The average market rate rent is \$2,953.

The Project will be comprised of one contiguous 3-story building along East Hoffman Avenue. Portions of the rooftop will include outdoor patio space for residents. The proposed layout of the building would allow for two communal outdoor areas, including an in-ground pool and terrace, within the interior of the complex.

SOURCES & USES

The development will be financed with a conventional debt (75%) and equity (25%) capital structure.

USES OF FUNDS	Amount	Per Unit	Per SF	%	%
Acquisition	\$11,400,000	\$43,846	\$35	11%	11%
Site Work	\$3,135,467	\$12,059	\$10	3%	64%
Construction	\$62,605,037	\$240,789	\$193	61%	
Architectural and Engineering	\$2,764,530	\$10,633	\$9	3%	25%
Finance Fees	\$7,343,224	\$28,243	\$23	7%	
Legal	\$975,000	\$3,750	\$3	1%	
Permit Fees	\$1,188,400	\$4,571	\$4	1%	
Other Soft Costs	<u>\$13,178,079</u>	<u>\$50,685</u>	<u>\$41</u>	<u>13%</u>	
TOTAL	\$102,589,737	\$394,576	\$317	100%	100%
SOURCES OF FUNDS	Amount	Per Unit	%		
Commercial Loan	\$76,942,303	\$295,932	75%		
Developer Equity	<u>\$25,647,434</u>	<u>\$98,644</u>	25%		
TOTAL	\$102,589,737	\$394,576	100%		

The development cost is fairly high at \$102.6 million, equivalent to \$395,000 per unit. The high costs can partially be attributed to the high land cost (the developer had to assemble seven contiguous properties for the land assemblage) and extensive site work.

While the construction cost (\$193/SF) is very reasonable for comparable buildings with quality finishes, amenities, and structured parking, the soft costs and professional fees at 25% of the overall budget seem higher than other comparable developments. The applicant reports that the development costs are within the middle range, in terms of cost/SF and cost/unit, of its other comparable rental residential developments (Patchogue, Port Jefferson, and Ronkonkoma) on Long Island.

SUMMARIZED BENEFITS PACKAGE

The benefit package is summarized below. Current Village and Town taxes are \$335,147. With the current 2018 tax rates applied, the reported estimated “as complete” taxes at full assessment would be \$1,466,620, more than a 4.3:1 multiplier to current taxes. The estimated “as complete” taxes when the units are placed in service are projected to be in excess of \$5,000 per unit annually, higher than what the project could absorb in the critical early stabilizations years. Based upon the reported development costs and projected operating budget, the project would not be financially feasible if it were to pay full taxes, as the developer would not be able to meet lender underwriting ratios and investor thresholds.

The proposed financial incentive package includes a 30-year PILOT (coterminous to the 30-year loan amortization) in addition to exemptions on mortgage recording tax and sales tax exemption on building materials.

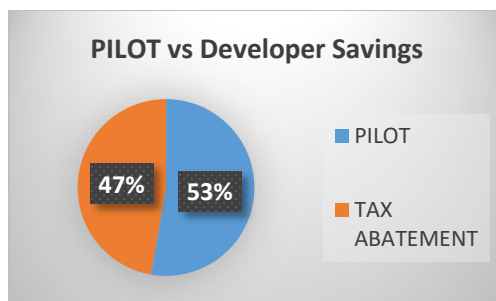
TAX BENEFIT SUMMARY				
IDA RELATED PROPERTY TAXES		SALES TAX EXEMPTION		
Current Taxes	\$335,147	Construction Cost		\$62,605,037
As Complete Taxes	\$1,466,620	Value of Building Materials	38%	\$23,860,932
Multiplier	4.38 /1	Sales Tax Rate		8.625%
Taxes without PILOT over 30 years	\$60,460,160	Value of Exemption on Building Materials		\$2,058,005
PILOT Savings	(\$28,578,328)			
Taxes Paid over 30 Years	\$31,881,832			
MORTGAGE RECORDING TAX				
Mortgage	\$76,942,303			
Mortgage Recording Tax	0.75%			
Value of Exemption	\$577,067			

The PILOT includes an 100% abatement on improvements in the first ten years. The abatement will be reduced by 4.76% annually from years 11-30.

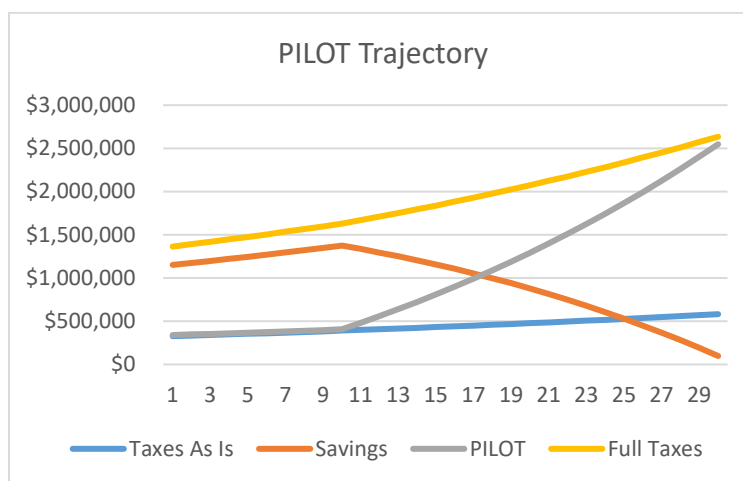
The full PILOT schedule is represented in **Exhibit 1**. In addition to the table illustrating the PILOT and tax abatement during the 30-year period, it breaks out the Town and Village portions of the PILOT. There is also a separate 10-year Impact Fee (estimated at \$764,000 over ten years) that will be paid to the Village of Lindenhurst.

While the PILOT is needed to create financial feasibility, the proposed PILOT schedule detailed in **Exhibit 1** illustrates that the tax increment realized by the taxing jurisdiction exceeds the tax benefit provided to the developer.

The aggregate PILOT payment as well as other taxes (including non-abated taxes, the Village Impact Fee, and the Business Improvement District fee), is \$33.7 million over 30-year period. During this term, annual PILOT and tax payments average \$1.1 million, equivalent to approximately \$4,300 per unit. The graph immediately below demonstrates the PILOT payments (53% of full taxes) against the aggregate 47% tax abatement over the 30-year period.



The next graph below illustrates the PILOT trajectory and the tax abatement during the term. It does not capture the Impact Fee paid to the Village during the first ten years.



SUMMARY OF NDC ANALYSIS

NDC based its analysis on the revenue and expense assumptions provided by the Developer in the IDA application. For consistency with other IDA reviews, NDC adjusted the pro forma provided by the developer with the following assumptions:

- Permanent loan assumptions that are in line with the current market for similar projects
 - Minimum debt coverage ratio (DCR) of 1.25
 - 30-year amortization
 - Rate of 5.75%
- Adjusting revenue growth to 3% annually
- Adjusting expense growth to 3% annually
- Projecting terminal value of project using a 6% cap rate

Rents and operating expenses are consistent with other comparable developments for the region. While there are many models and sizes among the units, rents average approximately \$3/SF monthly for the units, with the smaller units at a higher lease rate per square foot. Ten percent (10%) of the units, 11 studios and 15 1BRs, are considered “workforce” and priced lightly below market, affordable to households earning 115% of AMI. The developer’s projected rent roll, is as follows;

Type	Workforce Units					Market Units				
	Units	Avg Rent	Avg SF	Rent/SF	Mo Income	Units	Avg Rent	Avg SF	Rent/SF	Mo Income
Studio	11	\$1,990	627	\$3.17	\$21,890	0	n/a			
1 BR	15	\$2,290	831	\$2.76	\$34,350	147	\$2,720	831	\$3.27	\$399,840
2 BR	0	n/a	1125		\$0	75	\$3,290	1125	\$2.92	\$246,750
3 BR	0	n/a	1567		\$0	12	\$3,700	1567	\$2.36	\$44,400
TOTAL	26				\$56,240	234				\$690,990

The operating expenses, exclusive of taxes, are projected to be approximately \$6,500 per unit annually, are a little high but still in line with comparable residential in the region. The units will be managed by Greystar, a prominent national property management firm.

The projected stabilized operating pro forma is presented below. There are two sets of projected operations, one without a PILOT and one with a PILOT. The projected "Without a PILOT" column assumes first year rents and expenses, stabilized vacancy rate, and first year full taxes. The "With PILOT" column assumes first year rents and expenses, stabilized vacancy rate, and the PILOT and Village Impact Fees from the stabilized third year.

STABILIZED OPERATING PROFORMA				
	Without PILOT		With PILOT	
Affordable Rental Income	\$674,880	\$2,163 avg. rent	\$674,880	\$2,163 avg. rent
Market Rental Income	\$8,291,880	\$2,953 avg. rent	\$8,291,880	\$2,953 avg. rent
Gross Income	\$8,966,760		\$8,966,760	
Vacancy	(\$448,338)		(\$448,338)	
Effective Gross Income	\$8,518,422		\$8,518,422	
Operating Expenses Exclusive of RE Taxes	(\$1,690,000)	\$6,500 unit	(\$1,690,000)	\$6,500 unit
RE Taxes	(\$1,305,918)	\$5,023 unit	(\$354,141)	\$1,362 unit
Village "Impact Fees"	(\$44,122)	\$170 unit	(\$44,122)	\$170 unit
Non-Abated Taxes	(\$32,916)	\$127 unit	(\$32,916)	\$127 unit
BID Taxes	(\$2,699)	\$10 unit	(\$2,699)	\$10 unit
Total Operating Expenses	(\$2,995,918)	\$11,523 unit	(\$2,044,141)	\$7,862 unit
Net Operating Income	\$5,522,504		\$6,474,281	
Debt Service	(\$5,535,696)		(\$5,535,696)	
Cash Flow	(\$13,192)		\$938,585	
METRICS	Without PILOT		With PILOT	Typical in Market
Debt Coverage Ratio	1.00		1.17	>1.20
Cash on Cost (NOI/Project Cost)	5.38%		6.31%	7.00%
Cash on Cash (CF/Equity)	-0.05%		3.66%	> 7%
Internal Rate of Return (IRR)	8%		13%	12 - 20%

Without the PILOT, lender underwriting guidelines and investor thresholds are not met and the project is financially not feasible.

With the proposed PILOT schedule, lender underwriting ratios are met and investors returns are reasonable to establish financial feasibility. The metrics used and determined for the project, cash on cash return, cash on cost, and internal rate of return (IRR), with the proposed schedule, are consistent with what the market normally expects, actually a little on the low side, for a comparable residential development. This IDA financial package does not create undue enrichment for the applicant.

A more detailed 20-year operating pro forma is included in **Exhibit 2**.

COST / BENEFIT ANALYSIS

The analysis in the table below illustrates a positive net public value when taking into account the increase in total taxes received across all taxing jurisdictions.

BENEFIT ANALYSIS	
Total IDA Payments over 30 years	\$31,881,832
Village Benefit Payment	\$764,073
Non Abated Taxes and Business Improvement District (BID)	<u>\$1,068,450</u>
Total Aggregate Taxes (Public Benefit)	\$33,714,355
PILOT Savings over 30 years	\$28,578,328
Mortgage Recording Tax Exemption	\$577,067
Sales Tax Exemption	<u>\$2,058,005</u>
Total Tax Benefits (Developer Benefits)	\$31,213,401
Net Public Benefit	\$2,500,955

In addition to the above benefits, the applicant expects 247 temporary construction jobs over a two-year construction period and 6 full-time equivalent jobs. In addition, the project replaces underutilized and unsightly industrial buildings and vacant land with an amenity-filled building. Lindenhurst Residences is expected to have a positive transformative impact to the Village of Lindenhurst and the Town of Babylon. There will be considerable disposable income, estimated to be \$5 - \$7 million annually, from the residents of the 260 units to support the local retail trade. Transit oriented development such as Lindenhurst Residences are known for catalyzing additional investment and development on Long Island and elsewhere. Such a catalytic impact has been demonstrated in the Village of Patchogue. Since the applicant's \$112 million mixed-use development was completed in 2014, the Village of Patchogue has benefited from over \$300 million in additional private investment and retail and office occupancy rates have increased substantially. Many new restaurants opened and the downtown residential base has spurred an arts and cultural renaissance.



APPENDIX 1: IDA PROPOSED PILOT SCHEDULE

YR	PILOT%	TOWN				VILLAGE					COMBINED TOWN AND VILLAGE					
		FULL TAXES W IMPROVEMENTS	ABATEMENT	TOWN PILOT	NON-ABATED TAXES	FULL TAXES W IMPROVEMENTS	ABATEMENT	VILLAGE PILOT	IMPACT FEE	BID	FULL TAXES W IMPROVEMENTS	ABATEMENT	COMBINED PILOT	OTHER *	TOTAL	PAYMENTS PER UNIT
1	100%	\$1,323,922	(\$1,023,443)	\$300,479	\$32,916	\$167,057	(\$127,057)	\$40,000	\$2,448	\$2,699	\$1,490,979	(\$1,150,500)	\$340,479	\$38,063	\$378,542	\$1,456
2	100%	1,350,480	(1,043,991)	306,489	32,916	170,365	(129,613)	40,752	23,277	2,699	1,520,845	(1,173,604)	347,241	58,892	\$406,133	1,562
3	100%	1,377,408	(1,064,789)	312,619	32,916	173,760	(132,238)	41,522	44,122	2,699	1,551,168	(1,197,027)	354,141	79,737	\$433,878	1,669
4	100%	1,404,956	(1,086,085)	318,871	32,916	177,155	(134,862)	42,293	64,985	2,699	1,582,111	(1,220,947)	361,164	100,600	\$461,764	1,776
5	100%	1,433,055	(1,107,807)	325,248	32,916	180,637	(137,554)	43,083	85,865	2,699	1,613,692	(1,245,361)	368,331	121,480	\$489,811	1,884
6	100%	1,461,717	(1,129,964)	331,753	32,916	184,206	(140,313)	43,893	106,763	2,699	1,645,923	(1,270,277)	375,646	142,378	\$518,024	1,992
7	100%	1,490,951	(1,152,563)	338,388	32,916	187,862	(143,139)	44,723	107,700	2,699	1,678,813	(1,295,702)	383,111	143,315	\$526,426	2,025
8	100%	1,520,770	(1,175,614)	345,156	32,916	191,606	(146,033)	45,573	108,656	2,699	1,712,376	(1,321,647)	390,729	144,271	\$535,000	2,058
9	100%	1,551,185	(1,199,126)	352,059	32,916	195,349	(148,927)	46,422	109,632	2,699	1,746,534	(1,348,053)	398,481	145,247	\$543,728	2,091
10	100%	1,582,209	(1,223,108)	359,101	32,916	199,179	(151,887)	47,292	110,626	2,699	1,781,388	(1,374,995)	406,393	146,241	\$552,634	2,126
11	95.24%	1,613,853	(1,188,189)	425,664	32,916	203,097	(147,542)	55,555	0	2,699	1,816,950	(1,335,731)	481,219	35,615	\$516,834	1,988
12	90.48%	1,646,130	(1,151,386)	494,744	32,916	207,101	(142,968)	64,133	0	2,699	1,853,231	(1,294,354)	558,877	35,615	\$594,492	2,287
13	85.71%	1,679,053	(1,112,635)	566,418	32,916	211,193	(138,159)	73,034	0	2,699	1,890,246	(1,250,794)	639,452	35,615	\$675,067	2,596
14	80.95%	1,712,634	(1,071,872)	640,762	32,916	215,371	(133,101)	82,270	0	2,699	1,928,005	(1,204,973)	723,032	35,615	\$758,647	2,918
15	76.19%	1,746,887	(1,028,995)	717,892	32,916	219,637	(127,789)	91,848	0	2,699	1,966,524	(1,156,784)	809,740	35,615	\$845,355	3,251
16	71.43%	1,781,824	(984,013)	797,811	32,916	223,990	(122,210)	101,780	0	2,699	2,005,814	(1,106,223)	899,591	35,615	\$935,206	3,597
17	66.67%	1,817,461	(936,821)	880,640	32,916	228,430	(116,357)	112,073	0	2,699	2,045,891	(1,053,178)	992,713	35,615	\$1,028,328	3,955
18	61.90%	1,853,810	(887,348)	966,462	32,916	232,956	(110,216)	122,740	0	2,699	2,086,766	(997,564)	1,089,202	35,615	\$1,124,817	4,326
19	57.14%	1,890,886	(835,522)	1,055,364	32,916	237,570	(103,782)	133,788	0	2,699	2,128,456	(939,304)	1,189,152	35,615	\$1,224,767	4,711
20	52.38%	1,928,704	(781,266)	1,147,438	32,916	242,271	(97,044)	145,227	0	2,699	2,170,975	(878,310)	1,292,665	35,615	\$1,328,280	5,109
21	47.62%	1,967,278	(724,508)	1,242,770	32,916	247,059	(89,993)	157,066	0	2,699	2,214,337	(814,501)	1,399,836	35,615	\$1,435,451	5,521
22	42.86%	2,006,624	(665,166)	1,341,458	32,916	251,934	(82,616)	169,318	0	2,699	2,258,558	(747,782)	1,510,776	35,615	\$1,546,391	5,948
23	38.10%	2,046,756	(603,160)	1,443,596	32,916	256,896	(74,907)	181,989	0	2,699	2,303,652	(678,067)	1,625,585	35,615	\$1,661,200	6,389
24	33.33%	2,087,691	(538,407)	1,549,284	32,916	261,945	(66,856)	195,089	0	2,699	2,349,636	(605,263)	1,744,373	35,615	\$1,779,988	6,846
25	28.57%	2,129,445	(470,777)	1,658,668	32,916	267,168	(58,471)	208,697	0	2,699	2,396,613	(529,248)	1,867,365	35,615	\$1,902,980	7,319
26	23.81%	2,172,034	(400,274)	1,771,760	32,916	272,479	(49,719)	222,760	0	2,699	2,444,513	(449,993)	1,994,520	35,615	\$2,030,135	7,808
27	19.05%	2,215,475	(326,763)	1,888,712	32,916	277,876	(40,588)	237,288	0	2,699	2,493,351	(367,351)	2,126,000	35,615	\$2,161,615	8,314
28	14.29%	2,259,784	(250,151)	2,009,633	32,916	283,360	(31,069)	252,291	0	2,699	2,543,144	(281,220)	2,261,924	35,615	\$2,297,539	8,837
29	9.52%	2,304,980	(170,344)	2,134,636	32,916	288,932	(21,153)	267,779	0	2,699	2,593,912	(191,497)	2,402,415	35,615	\$2,438,030	9,377
30	4.76%	2,351,080	(87,245)	2,263,835	32,916	294,677	(10,833)	283,844	0	2,699	2,645,757	(98,078)	2,547,679	35,615	\$2,583,294	9,936
		\$53,709,042	(\$25,421,252)	\$28,287,710	\$987,480	\$6,751,118	(\$3,156,996)	\$3,594,122	\$764,073	\$80,970	\$60,460,160	(\$28,578,328)	\$31,881,832	\$1,832,523	\$33,714,355	
* Non-abated, Impact Fees, and BID Taxes																



APPENDIX 2: 20 YEAR OPERATING PROFORMA

			1	2	3 (Stabilized)	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Affordable Rental Income	3.00%		708,624	729,883	751,779	774,333	797,563	821,489	846,134	871,518	897,664	924,594	952,331	980,901	1,010,328	1,040,638	1,071,857	1,104,013	1,137,133	1,171,248	1,206,385	1,242,576	
Market Rental Income	3.00%		8,706,474	8,967,668	9,236,698	9,513,799	9,799,213	10,093,190	10,395,985	10,707,865	11,029,101	11,359,974	11,700,773	12,051,796	12,413,350	12,785,751	13,169,323	13,564,403	13,971,335	14,390,475	14,822,189	15,266,855	
Gross Income			9,415,098	9,697,551	9,988,477	10,288,132	10,596,776	10,914,679	11,242,119	11,579,383	11,926,764	12,284,567	12,653,104	13,032,698	13,423,678	13,826,389	14,241,180	14,668,416	15,108,468	15,561,722	16,028,574	16,509,431	
Vacancy			(\$2,353,775)	(\$1,454,633)	(\$499,424)	(\$514,407)	(\$529,839)	(\$545,734)	(\$562,106)	(\$578,969)	(\$596,338)	(\$614,228)	(\$632,655)	(\$651,635)	(\$671,184)	(\$691,319)	(\$712,059)	(\$733,421)	(\$755,423)	(\$778,086)	(\$801,429)	(\$825,472)	
			25.00%	15.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	
Effective Gross Income			\$7,061,324	\$8,242,918	\$9,489,054	\$9,773,725	\$10,066,937	\$10,368,945	\$10,680,013	\$11,000,414	\$11,330,426	\$11,670,339	\$12,020,449	\$12,381,063	\$12,752,495	\$13,135,069	\$13,529,121	\$13,934,995	\$14,353,045	\$14,783,636	\$15,227,145	\$15,683,960	
Expenses Excl of RE Taxes	3.00%		(1,716,000)	(1,767,480)	(1,820,504)	(1,875,120)	(1,931,373)	(1,989,314)	(2,048,994)	(2,110,464)	(2,173,777)	(2,238,991)	(2,306,161)	(2,375,345)	(2,446,606)	(2,520,004)	(2,595,604)	(2,673,472)	(2,753,676)	(2,836,287)	(2,921,375)	(3,009,016)	
PILOT			(340,479)	(347,241)	(354,141)	(361,164)	(368,331)	(375,646)	(383,111)	(390,729)	(398,481)	(406,393)	(414,459)	(422,681)	(431,061)	(439,600)	(448,308)	(457,087)	(466,038)	(475,164)	(484,458)	(493,923)	
Other Taxes & Village Community Benefits			(38,063)	(58,892)	(79,737)	(100,600)	(121,480)	(142,378)	(164,271)	(187,167)	(211,064)	(235,961)	(261,861)	(288,765)	(316,675)	(345,592)	(375,517)	(406,452)	(438,398)	(471,356)	(505,327)	(540,314)	
Total Operating expenses			(2,056,479)	(2,114,721)	(2,174,645)	(2,236,284)	(2,299,704)	(2,364,960)	(2,432,105)	(2,501,193)	(2,572,258)	(2,645,384)	(2,721,380)	(2,800,222)	(2,881,911)	(2,966,404)	(3,053,704)	(3,143,836)	(3,246,376)	(3,352,287)	(3,471,612)	(3,604,332)	
Net Operating Income			5,004,845	6,128,197	7,314,408	7,537,442	7,767,233	8,003,985	8,247,909	8,499,221	8,758,168	9,024,955	9,299,060	9,580,841	9,869,584	10,165,665	10,469,281	10,780,518	11,098,669	11,423,959	11,756,770	12,097,324	
Debt Service			(5,535,696)	(5,535,696)	(5,535,696)	(5,535,696)	(5,535,696)	(5,535,696)	(5,535,696)	(5,535,696)	(5,535,696)	(5,535,696)	(5,535,696)	(5,535,696)	(5,535,696)	(5,535,696)	(5,535,696)	(5,535,696)	(5,535,696)	(5,535,696)	(5,535,696)	(5,535,696)	
Cash Flow			(530,851)	592,502	1,778,712	2,001,746	2,231,537	2,468,289	2,712,213	2,963,525	3,222,472	3,489,259	3,697,374	3,911,145	4,130,741	4,356,338	4,588,082	4,826,236	5,070,960	5,322,452	5,580,922	5,846,583	
DCR			0.90	1.11	1.32	1.36	1.40	1.45	1.49	1.54	1.58	1.63	1.67	1.71	1.75	1.79	1.83	1.87	1.92	1.96	2.01	2.06	
Cash on Cash			-2.07%	2.31%	6.94%	7.80%	8.70%	9.62%	10.57%	11.55%	12.56%	13.60%	14.62%	15.25%	16.11%	16.99%	17.89%	18.82%	19.77%	20.75%	21.76%	22.80%	
Cash on Cost			4.88%	5.97%	7.13%	7.35%	7.57%	7.80%	8.04%	8.28%	8.54%	8.80%	9.00%	9.21%	9.42%	9.64%	9.87%	10.10%	10.34%	10.58%	10.84%	11.09%	
Valuation			83,414,075	102,136,622	121,906,803	125,624,028	129,453,881	133,399,746	137,465,145	141,653,688	145,969,463	150,415,921	153,884,495	157,447,339	161,107,281	164,867,226	168,729,625	172,698,867	176,777,595	180,969,130	185,276,971	189,704,640	
Net Sales Proceeds																							
Net Benefit Stream		(12,823,717)	(12,823,717)	(530,851)	592,502	1,778,712	2,001,746	2,231,537	2,468,289	2,712,213	2,963,525	3,222,472	3,489,259	3,697,374	3,911,145	4,130,741	4,356,338	4,588,082	4,826,236	5,070,960	5,322,452	5,580,922	5,846,583
Internal Rate of Return (IRR)		13%																					