GORMAN & COMPANY, INC.
200 N. Main Street • Oregon, WI 53575
P: (608) 835-3900
F: (608) 835-3922
www.GormanUSA.com
REAL ESTATE DEVELOPMENT
MADISON MILWAUKEE MIAMI PHOENIX

Elaine Miller
City of Milwaukee
809 North Broadway
Milwaukee, WI 53202

October 26, 2011

Enclosed is the final submittal on behalf of Gorman & Company, Inc. and their design consultant, Eppstein Uhen, for the new East Side Library mixed-use development in the City of Milwaukee. In an effort to respond to comments by the East Side Library Committee and the public, we have revised our original design so as to create a more architecturally significant building on the corner of North and Cramer. This revised design has attempted to maintain the optimal features of the original plan while improving the overall design of the development as a whole. The substantive changes to the revised design are self-evident in the renderings. However, special features will be discussed in the context of two different revised scenarios.

Scenario 1-Affordable Apartments

- This scenario represents 73 units of apartments with 68 income-restricted for affordable residents and 5 market-rate units, which are not income-restricted.
- 85 parking spaces for the apartments and 41 parking spaces for the library
- Library: Originally proposed library space, plus rooftop meeting area
- A timeline has been submitted which reflects WHEDA financing within the requirements of the LIHTC program.
- We have optimized the 73 apartment unit mix for WHEDA scoring purposes and to maximize the chances that WHEDA will accept this unit mix as marketable.

Scenario 2 – Market Rate Apartments

- This scenario represents 80 market rate apartments with no income restrictions
- 85 parking spaces for the apartments and 41 parking spaces for the library
- Library: Originally proposed library space, plus rooftop meeting area
- A timeline has been submitted which reflects HUD 221(d)(4) financing with an equity investor.
- This 80 unit apartment mix was designed to target the East Side demographic as well as to create the necessary density to balance sources and uses for the project to be financially feasible.

Please note that both financial models listed above and laid out in this submittal have cost and income projections that *do not* include construction costs to construct the library shell. A cost estimate for construction of the library shell is included in the enclosed materials, behind the 'Financials' tab.

Our original proposal had the temporary library site on the same location, which requires phasing the construction of the mixed-use development. A timeline has been submitted reflecting this on-site temporary library scheme. In addition, another timeline has been submitted where a temporary library location would be secured off-site, in the even the library wishes to expedite the construction process of the entire development.

Sincerely,

Ted Matkom, Wisconsin Market President

East Library Building Data 73 Unit Option

10/26/2011

Apartment	TH	Studio	1 BR	1 BR/D	2 BR	Total	PKG	Net SF	Common	Gross SF
Level 1	8	-	-	2	-	10		7,540	5,657	13,197
Level 2	-	-	11	4	-	15		17,636	3,613	21,249
Level 3	-	-	20	-	4	24		18,296	3,355	21,651
Level 4	-	-	20	-	4	24		18,296	3,355	21,651
Sub Total	**8**	**-**	**51**	**6**	**8**	**73**		**61,768**	**15,980**	**77,748**
Lower Level							**85**			30,720
Grand Total										**108,468**
Parking Ratio	1.16	Per Unit								
Parking SF/Space	361									
Efficiency	79%									
Average Unit						846				
Library							**PKG**			**Gross SF**
Level 1										14,940
Level 2										1,500
Sub Total										**16,440**
Lower Level							**41**			19,720
Grand Total										**36,160**
Parking Ratio	2.49	Per 1000								
Parking SF/Space	481									

East Library Building Data 80 Unit Option

10/26/2011

Apartment	TH	Studio	1 BR	1 BR/D	2 BR	Total	PKG	Net SF	Common	Gross SF
Level 1	8	3	-	-	-	11		7,540	5,657	13,197
Level 2	-	6	11	-	-	17		17,636	3,613	21,249
Level 3	-	6	16	-	4	26		18,296	3,355	21,651
Level 4	-	6	16	-	4	26		18,296	3,355	21,651
Sub Total	**8**	**21**	**43**	**-**	**8**	**80**		**61,768**	**15,980**	**77,748**
Lower Level							**85**			30,720
Grand Total										**108,468**
Parking Ratio	1.06	Per Unit								
Parking SF/Space	361									
Efficiency	79%									
Average Unit						772				
Library							**PKG**			**Gross SF**
Level 1										14,940
Level 2										1,500
Sub Total										**16,440**
Lower Level							**41**			19,720
Grand Total										**36,160**
Parking Ratio	2.49	Per 1000								
Parking SF/Space	481									

GORMAN & COMPANY, INC.

Library Shell Cost Estimate

16,440 SF

Cost per SF $75.00

Shell construction cost $1,233,000.00

Roof top improvements $125,000.00

Library underground parking $600,000.00

Total cost to construct $1,958,000.00

DRAFT

MILWAUKEE LIBRARY RFP- LIHTC

Low-Income Housing Tax Credit Financial Analysis
October 26, 2011

PROJECT INFORMATION

Partnership		MILWAUKEE LIBRARY RFP- LIHTC
County		Milwaukee
Median Income	$	70,700
Number of Units		73
Partnership Formation		
Year		2013
Month		4
Construction Start		
Year		2013
Month		4
Construction Period		12.00
Operations		
Year		2014
Month		4
Starting Month of Depreciation		4
Starting Month of Lease-Up		4
Absorption Rate (Mos.)		9
Credit % - 30% PV		3.20%
Credit % - 70% PV		9.00%
Qualified Census Tract		15.0%
LIH Credit Reserved	$	1,500,000
LIH Credit Reserved- Add'l	$	-
Project Cost	$	15,638,125
First Mortgage- HUD 221(d)(4)	$	3,060,000
Other	$	-
Other	$	-
Other	$	-
GP Equity	$	100
LIHTC Equity	$	11,729,397
Deferred Dev Fee	$	848,628

New Construction	x
Acquisition/Rehab	
Bond transaction	
9% transaction	x

FINANCING ASSUMPTIONS

Construction Loan (max amount)		11,200,000
Interest rate		5.250%
First Mortgage- HUD 221(d)(4)	$	3,060,000
Interest Rate		5.250%
MIP		0.000%
Amortization		40
Term		15
DCR for combined 1st Mortg.		1.20
Start Year		2015
Start Month		1
Months Interest Only (after placed in service)		0
Other	$	-
Interest Rate		
MIP		
Amortization		
Term		
DCR for combined 1st Mortg.		
Start Year		2012
Start Month		8
Other	$	-
Interest Rate		0.000%
MIP		
Amortization		30
Term		30
DCR for combined 1st Mortg.		1.15
Start Year		
Start Month		2013
Months Interest Only (after placed in service)		4
Other	$	-
Deferred Developer Fee	$	848,628

SYNDICATION INFORMATION

Entry Date:	Year		2013
	Month		4
	Day		1
Investor Equity			$ 11,729,397
Investor Federal Tax Rate			38.00%
1st Contribution	15.00%	$	1,759,410
Closing	Date:		04/01/2013
2nd Contribution	50.00%	$	5,864,699
100% Completion	Date:		04/01/2014
3rd Contribution	28.00%	$	3,284,231
Qualified Occupancy	Date:		01/01/2014
4th Contribution	7.00%	$	821,058
K-1 & Tax Return	Date:		04/01/2014

Price Per Credit	
Low Income Housing	$0.8500
Federal Historic Rehab	
State Historic Rehab	

Percent of Ownership	
General Partner	0.01%
Investor	99.99%
Total	100.00%

Cash Flow Distribution	
General Partner	0.01%
Investor	99.99%
Total	100.00%

Income, Loss & Credits	
General Partner	0.01%
Investor	99.99%
Total	100.00%

State Historic Credit Allocation	
General Partner	
Investor	
Total	0.00%

Sale Proceeds Distribution	
General Partner	0.01%
Investor	99.99%
Total	100.00%

OPERATING EXPENSES

	Total	Per Unit	
Administrative	$50,005	$685	
Maintenance	64,751	887	
Operating	110,376	1,512	
Real Estate Taxes	66,787	915	
	291,919	3,999	
Replacement Reserve	21,900	300	
Property Management Fee	36,708	503	
Total	350,527	4,802	$400 PUPM

Annual Operating Exp. Increase	3.00%	
Annual Real Estate Tax Increase	3.00%	
Annual Management Fee Increase	3.00%	
Annual Reserve Increase	3.00%	Annually
Interest Rate on Reserves	1.00%	

CASH FLOW DISTRIBUTION

Partner Compl. Fee	$ -	
Asset Management Fee	6,500	3% trending
General Partner Management Fee	-	
Incentive Management Fee	12%	Percent of EGI (max of 12% between mgmt fee and incentive mgmt)
Program Management Fee	$ -	Fixed

RENTAL INCOME

Low-Income Units

Number of Bedrooms	Units	AMI Set Aside %	Baths	SF per Unit (Range)	Monthly Net Rent	Monthly Utility	Monthly Gross Rent	Total Monthly Rent
0 Bedroom	0	50%	1.0	510 - 600	$ 500	61	$ 561	$ -
0 Bedroom	0	60%	1.0	510 - 600	600	61	661	-
1 Bedroom*	47	50%	1.0	620 - 910	580	91	671	27,260
1 Bedroom*	10	60%	1.0	620 - 910	700	91	791	7,000
2 Bedroom	2	50%	1.0	990	680	121	801	1,360
2 Bedroom	6	60%	1.5	990	840	121	961	5,040
3 Bedroom	3	50%	2.0	1,470	800	121	921	2,400
3 Bedroom	0	60%	2.0	1,470	980	121	1,101	-
Total	**68**			**55,544**				**$ 43,060**

*A total of six of the one bedroom units have a den

Market Rate Units

Number of Bedrooms	Units	CMI Set Aside %	Baths	SF per Unit (Range)	Monthly Net Rent	Monthly Utility	Monthly Gross Rent	Total Montly Rent
1 Bedroom	0	Mkt		770	$ 1,200		1,200	0
3 Bedroom	5	Mkt		1,245	1,500		1,500	7,500
Total	**5**			**6,224**				7,500

Base Gross Residential Rent	$ 606,720	Residential Square Footage	61,768
Rent increases	2.000%	Common Square Footage	15,980
Other Income increases	2.000%	Total	77,748
Residential Vacancy Loss	7.00%	Parking	30,720
Other Income (per month)	$ 544	Grand Total	108,468
Garage Income (per month)	$ -		
Misc Income (PUPM)	8.00		

SOURCES OF FUNDS	Construction	Post Construction	Permanent	
First Mortgage- HUD 221(d)(4)	$ -	$ 3,060,000	$ 3,060,000	
Other	-	-	-	
GP Equity	-	100	100	
LIHTC Equity	1,759,410	9,969,987	11,729,397	
Deferred Dev Fee	848,628	-	848,628	54%
Construction Loan	11,528,231	(11,528,231)	-	
Total Sources Of Funds	$ 14,136,269	$ 1,501,856	$ 15,638,125	
	$0	$0	$0	

USES OF FUNDS	Construction	Post Construction	Total Permanent	Building 27.5 Yr/SL	Personal Property 5 Yr/200%	Land Impr. 15 Yr/150%	Amortization	Non Depreciable/ Amortizable	9.0% Eligible Basis	4.0% Eligible Basis
Acquisition & Site Costs										
Land Costs	$ -	$ -	$ -					$ -		
Building Acquisition	-	-	-	-	-	-	-	-	-	-
On-Site Improvements	178,500	-	178,500	-	-	178,500	-	-	178,500	-
Construction Costs										
Residential Construction	10,247,619	-	10,247,619	10,247,619	-	-	-	-	10,247,619	-
Construction contingency	512,381	-	512,381	512,381	-	-	-	-	512,381	-
Parking Structure- Residential	1,262,322	-	1,262,322	1,262,322	-	-	-	-	1,262,322	-
Engineering & Architectural										
Architect fee-design	219,000	-	219,000	219,000	-	-	-	-	219,000	-
Real estate attorney	100,000	-	100,000	100,000	-	-	-	-	100,000	-
Engineering	75,000	-	75,000	75,000	-	-	-	-	75,000	-
Survey	7,500	-	7,500	7,500	-	-	-	-	7,500	-
Other: Inspection & Plan Review	40,000	-	40,000	40,000	-	-	-	-	40,000	-
Construction Interest & Fees										
Construction Insurance	60,000	-	60,000	60,000	-	-	-	-	60,000	-
Construction Loan Interest	480,000	-	480,000	320,000	-	-	-	160,000	320,000	-
Title and recording	20,000	-	20,000	20,000	-	-	-	-	20,000	-
Construction Loan Origination Fee	40,000	-	40,000	40,000	-	-	-	-	40,000	-
Construction Loan Credit Enhancement/LOC	15,000	-	15,000	15,000	-	-	-	-	15,000	-
Construction RE Taxes	14,100	-	14,100	14,100	-	-	-	-	14,100	-
Permanent Financing										
Origination Fee	40,000	-	40,000	-	-	-	40,000	-	-	-
Other Financing Fees and Expense	69,400	-	69,400	-	-	-	69,400	-	-	-
Soft Costs										
Property Appraisal	6,500	-	6,500	6,500	-	-	-	-	6,500	-
Market study	6,500	-	6,500	6,500	-	-	-	-	6,500	-
Environmental	4,700	-	4,700	4,700	-	-	-	-	4,700	-
Tax credit fees	143,747	-	143,747	-	-	-	143,747	-	-	-
Soft Cost Contingency	40,000	-	40,000	40,000	-	-	-	-	40,000	-
Marketing Fees	25,000	-	25,000	-	-	-	-	25,000	-	-
Cost Certification	9,000	-	9,000	9,000	-	-	-	-	9,000	-
Accounting	50,000	-	50,000	50,000	-	-	-	-	50,000	-
Other: City Impact Fees	20,000	-	20,000	20,000	-	-	-	-	20,000	-
Syndication Costs										
Organization (partnership)	55,000	-	55,000	-	-	-	-	55,000	-	
Developer Fees / Reserves										
Developer fee and overhead	395,000	1,185,000	1,580,000	1,580,000	-	-	-	-	1,580,000	-
Rent Up Reserve	-	50,000	50,000					50,000		
Operating Reserve	-	266,856	266,856					266,856		
Total Uses Of Funds	$ 14,136,269	$ 1,501,856	$ 15,638,125	$ 14,649,622	$ -	$ 178,500	$ 253,147	$ 556,856	$ 14,828,122	$ -

ACQUISITION CREDIT	
Acquisition price	-
Less: Land & other non-depreciable costs	-
Less: Reserves acquired	-
Adjusted Eligible Basis	-
Qualified Census Tract Adjustment	100%
Eligible Basis	-
Applicable Fraction (Low Inc. %)	89.92%
Qualified Basis	-
Credit Percentage (30% PV)	3.20%
Potential Annual Credit	-

CONSTRUCTION / REHAB CREDIT	
Eligible Building Basis	14,828,122
Less: Historic Basis * 20%	-
Less: Grant	-
Adjusted Eligible Basis	14,828,122
Qualified Census Tract Adjustment	115%
Eligible Basis	17,052,340
Applicable Fraction (Low Inc. %)	89.92%
Qualified Basis	15,334,075
Credit Percentage (70% PV)	9.00%
Potential Annual Credit	**1,380,067**

CREDIT ANALYSIS	LIH Credit
Annual LIH Credit Calculated	1,380,067
Annual LIH Credit Reserved	1,500,000
Minimum Credit or Allocation	1,380,067
Total Tax Credit	13,800,670
Investor Percentage	99.99%
Tax Credits for Syndication	13,799,290
Price per Credit	$0.8500
Tax Credit Equity Raised	11,729,397

MILWAUKEE LIBRARY RFP- LIHTC
FORECAST OF NET CASH FLOW FROM OPERATIONS

		1 2014	2 2015	3 2016	4 2017	5 2018	6 2019	7 2020	8 2021	9 2022	10 2023	11 2024	12 2025	13 2026	14 2027	15 2028	TOTAL
Income																	
Rental Income		$ 256,180	$ 606,720	$ 618,854	$ 631,231	$ 643,856	$ 656,733	$ 669,868	$ 683,265	$ 696,931	$ 710,869	$ 725,087	$ 739,588	$ 754,380	$ 769,468	$ 784,857	$ 9,947,888
Other Income		3,544	6,528	6,659	6,792	6,928	7,066	7,207	7,352	7,499	7,649	7,802	7,958	8,117	8,279	8,445	107,822
Vacancy	7%	(18,181)	(42,927)	(43,786)	(44,662)	(45,555)	(46,466)	(47,395)	(48,343)	(49,310)	(50,296)	(51,302)	(52,328)	(53,375)	(54,442)	(55,531)	(703,899)
Effective Gross Income		241,543	570,321	581,727	593,361	605,229	617,333	629,680	642,274	655,119	668,222	681,586	695,218	709,122	723,305	737,771	9,351,811
Expenses																	
Operating Expenses		168,496	291,919	300,677	309,697	318,988	328,558	338,414	348,566	359,023	369,793	380,887	392,313	404,083	416,207	428,693	5,156,314
Management Fee		14,513	34,403	35,091	35,805	36,534	37,260	38,019	38,793	39,559	40,365	41,187	41,996	42,852	43,725	44,580	564,681
Reserve for Replacement	3%	16,425	22,557	23,234	23,931	24,649	25,388	26,150	26,934	27,742	28,575	29,432	30,315	31,224	32,161	33,126	401,841
Total Operating Expenses		199,434	348,879	359,002	369,433	380,171	391,206	402,582	414,293	426,324	438,732	451,506	464,624	478,159	492,092	506,399	6,122,836
Net Operating Income		42,109	221,442	222,725	223,929	225,058	226,128	227,098	227,980	228,795	229,490	230,080	230,594	230,963	231,212	231,372	3,228,974
Debt Service																	
Construction Loan Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
First Mortgage- HUD 221(d)(4)		-	183,185	183,185	183,185	183,185	183,185	183,185	183,185	183,185	183,185	183,185	183,185	183,185	183,185	183,185	2,564,593
Total Debt Service		-	183,185	183,185	183,185	183,185	183,185	183,185	183,185	183,185	183,185	183,185	183,185	183,185	183,185	183,185	2,564,593
DSCR- 1st Mortgage			1.21	1.22	1.22	1.23	1.23	1.24	1.24	1.25	1.25	1.26	1.26	1.26	1.26	1.26	
Cash Flow		42,109	38,257	39,540	40,743	41,872	42,942	43,913	44,795	45,610	46,304	46,895	47,409	47,778	48,027	48,186	664,382
Asset Management Fee		6,500	6,500	6,695	6,896	7,103	7,316	7,535	7,761	7,994	8,234	8,481	8,735	8,998	9,267	9,545	117,561
Deferred Developer Fee																	
Payment	848,628	35,609	31,757	32,845	33,848	34,770	35,627	36,378	37,034	37,616	38,070	38,414	38,673	38,780	38,760	38,641	546,821
Incentive Management Fee	12%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available Cash Flow for Distribution		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Allocated As Follows:																	
General Partner	0.01%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Limited Partner	99.99%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

DRAFT

MILWAUKEE LIBRARY RFP- MARKET

Low-Income Housing Tax Credit Financial Analysis
October 26, 2011

PROJECT INFORMATION

Partnership		MILWAUKEE LIBRARY RFP- MARKET
County		Milwaukee
Median Income	$	70,700
Number of Units		80
Partnership Formation		
Year		2013
Month		4
Construction Start		
Year		2013
Month		4
Construction Period		12.00
Operations		
Year		2014
Month		4
Starting Month of Depreciation		4
Starting Month of Lease-Up		4
Absorption Rate (Mos.)		4
Credit % - 30% PV		3.20%
Credit % - 70% PV		9.00%
Qualified Census Tract		15.0%
LIH Credit Reserved	$	-
LIH Credit Reserved- Add'l	$	-
Project Cost	$	14,232,125
First Mortgage- HUD 221(d)(4)	$	10,550,000
Other	$	-
Other	$	-
Other	$	-
GP Equity	$	100
Investor Equity	$	3,682,025
Deferred Dev Fee	$	0
New Construction		x
Acquisition/Rehab		
Bond transaction		
9% transaction		x

FINANCING ASSUMPTIONS

Construction Loan (max amount)		10,000,000
Interest rate		5.250%
First Mortgage- HUD 221(d)(4)	$	10,550,000
Interest Rate		5.250%
MIP		0.000%
Amortization		40
Term		40.0
DCR for combined 1st Mortg.		1.20
Start Year		2014
Start Month		4
Months Interest Only (after placed in service)		0
Other	$	-
Interest Rate		
MIP		
Amortization		
Term		
DCR for combined 1st Mortg.		
Start Year		2012
Start Month		8
Other	$	-
Interest Rate		0.000%
MIP		
Amortization		30
Term		30
DCR for combined 1st Mortg.		1.15
Start Year		
Start Month		2013
Months Interest Only (after placed in service)		4
Other	$	-
Deferred Developer Fee	$	0

SYNDICATION INFORMATION

Entry Date:	Year		2013
	Month		4
	Day		1
Investor Equity		$	3,682,025
Investor Federal Tax Rate			38.00%
1st Contribution	10.00%	$	368,203
Closing	Date:		04/01/2013
2nd Contribution	0.00%	$	-
100% Completion	Date:		08/01/2013
3rd Contribution	90.00%	$	3,313,823
Qualified Occupancy	Date:		01/01/2015
4th Contribution	0.00%	$	-
K-1 & Tax Return	Date:		04/01/2014
Price Per Credit			
Low Income Housing			
Federal Historic Rehab			
State Historic Rehab			

Percent of Ownership	
General Partner	0.01%
Investor	99.99%
Total	100.00%
Cash Flow Distribution	
General Partner	0.01%
Investor	99.99%
Total	100.00%
Income, Loss & Credits	
General Partner	0.01%
Investor	99.99%
Total	100.00%
State Historic Credit Allocation	
General Partner	
Investor	
Total	0.00%
Sale Proceeds Distribution	
General Partner	0.01%
Investor	99.99%
Total	100.00%

OPERATING EXPENSES

	Total	Per Unit
Administrative	$56,000	$700
Maintenance	70,960	887
Operating	120,960	1,512
Real Estate Taxes	73,191	915
	321,111	4,014
Replacement Reserve	24,000	300
Property Management Fee	40,228	503
Total	385,340	4,817

$401 PUPM

Annual Operating Exp. Increase	3.00%	
Annual Real Estate Tax Increase	3.00%	
Annual Management Fee Increase	3.00%	
Annual Reserve Increase	3.00%	Annually
Interest Rate on Reserves	1.00%	

CASH FLOW DISTRIBUTION

Partner Compl. Fee		$ -	
LP Priority Return	8.0%	294,562	as a % of equity
General Partner Management Fee		-	
Incentive Management Fee		80%	of remaining cash flow
Program Management Fee		$ -	Fixed

RENTAL INCOME

Unit Mix

Number of Bedrooms	Units	AMI Set Aside %	Baths	SF per Unit (Range)	Monthly Net Rent	Monthly Utility	Monthly Gross Rent	Total Monthly Rent
Studio	21	Mkt	1.0	510 - 600	1,000	-	$ 1,000	21,000
Studio	0	60%	1.0	510 - 600	-	-	-	-
1 Bedroom	43	Mkt	1.0	620 - 770	1,200	-	1,200	51,600
1 Bedroom	0	60%	1.0	620 - 770	-	-	-	-
2 Bedroom	8	Mkt	1.0	990	1,400	-	1,400	11,200
2 Bedroom	0	60%	1.5	990	-	-	-	-
2 Bedroom TH	8	Mkt	2.0	1,470	1,500	-	1,500	12,000
2 Bedroom TH	0	60%	2.0	1,470	-	-	-	-
Total	80			61,768				$ 95,800

Base Gross Residential Rent	$ 1,149,600	Residential Square Footage	61,768
Rent increases	2.000%	Common Square Footage	15,980
Other Income increases	2.000%	Total	77,748
Residential Vacancy Loss	5.00%	Parking	30,720
Other Income (per month)	$ 6,640	Grand Total	108,468
Garage Income (per month)	$ 6,000		
Misc Income (PUPM)	8.00		

SOURCES OF FUNDS	Construction	Post Construction	Permanent
First Mortgage- HUD 221(d)(4)	$ -	$ 10,550,000	$ 10,550,000
Other	-	-	-
GP Equity	-	100	100
Investor Equity	368,203	3,313,823	3,682,025
Deferred Dev Fee	0	-	0
Construction Loan	13,305,468	(13,305,468)	-
Total Sources Of Funds	$ 13,673,671	$ 558,455	$ 14,232,125
	$ -	$ -	$ -

USES OF FUNDS	Construction	Post Construction	Total Permanent	Building 27.5 Yr/SL	Personal Property 5 Yr/200%	Land Impr. 15 Yr/150%	Amortization	Non Depreciable/ Amortizable	9.0% Eligible Basis	4.0% Eligible Basis
Acquisition & Site Costs										
Land Costs	$ -	$ -	$ -					$ -		
Building Acquisition	-	-	-	-	-	-	-	-	-	-
On-Site Improvements	178,500	-	178,500	-	-	178,500	-	-	178,500	-
Construction Costs										
Residential Construction	10,247,619	-	10,247,619	10,247,619	-	-	-	-	10,247,619	-
Construction contingency	512,381	-	512,381	512,381	-	-	-	-	512,381	-
Parking Structure- Residential	1,247,471	-	1,247,471	1,247,471	-	-	-	-	-	-
Engineering & Architectural										
Architect fee-design	240,000	-	240,000	240,000	-	-	-	-	240,000	-
Real estate attorney	100,000	-	100,000	100,000	-	-	-	-	100,000	-
Engineering	75,000	-	75,000	75,000	-	-	-	-	75,000	-
Survey	7,500	-	7,500	7,500	-	-	-	-	7,500	-
Other: Inspection & Plan Review	40,000	-	40,000	40,000	-	-	-	-	40,000	-
Construction Interest & Fees										
Construction Insurance	60,000	-	60,000	60,000	-	-	-	-	60,000	-
Construction Loan Interest	550,000	-	550,000	230,000	-	-	-	320,000	230,000	-
Title and recording	20,000	-	20,000	20,000	-	-	-	-	20,000	-
Construction Loan Origination Fee	40,000	-	40,000	40,000	-	-	-	-	40,000	-
Construction Loan Credit Enhancement/LOC	15,000	-	15,000	15,000	-	-	-	-	15,000	-
Construction RE Taxes	14,100	-	14,100	14,100	-	-	-	-	14,100	-
Permanent Financing										
Origination Fee	40,000	-	40,000	-	-	-	40,000	-	-	-
Other Financing Fees and Expense	69,400	-	69,400	-	-	-	69,400	-	-	-
Soft Costs										
Property Appraisal	6,500	-	6,500	6,500	-	-	-	-	6,500	-
Market study	6,500	-	6,500	6,500	-	-	-	-	6,500	-
Environmental	4,700	-	4,700	4,700	-	-	-	-	4,700	-
Tax credit fees	-	-	-	-	-	-	-	-	-	-
Soft Cost Contingency	40,000	-	40,000	40,000	-	-	-	-	40,000	-
Marketing Fees	25,000	-	25,000	-	-	-	-	25,000	-	-
Cost Certification	9,000	-	9,000	9,000	-	-	-	-	9,000	-
Accounting	50,000	-	50,000	50,000	-	-	-	-	50,000	-
Other: City Impact Fees	20,000	-	20,000	20,000	-	-	-	-	20,000	-
Syndication Costs										
Organization (partnership)	55,000	-	55,000	-	-	-	-	55,000	-	
Developer Fees / Reserves										
Developer fee and overhead	-	-	-	-	-	-	-	-	-	-
Rent Up Reserve	-	50,000	50,000					50,000		
Operating Reserve	-	508,455	508,455					508,455		
Total Uses Of Funds	$ 13,673,671	$ 558,455	$ 14,232,125	$ 12,985,771	$ -	$ 178,500	$ 109,400	$ 958,455	$ 11,916,800	$ -

MILWAUKEE LIBRARY RFP- MARKET
FORECAST OF NET CASH FLOW FROM OPERATIONS

		1 2014	2 2015	3 2016	4 2017	5 2018	6 2019	7 2020	8 2021	9 2022	10 2023	TOTAL
Income												
Rental Income		$ 586,700	$ 1,149,600	$ 1,172,592	$ 1,196,044	$ 1,219,965	$ 1,244,364	$ 1,269,251	$ 1,294,636	$ 1,320,529	$ 1,346,940	$ 11,800,621
Other Income		40,063	79,680	81,274	82,899	84,557	86,248	87,973	89,733	91,527	93,358	817,312
Vacancy	5%	(31,338)	(61,464)	(62,693)	(63,947)	(65,226)	(66,531)	(67,861)	(69,218)	(70,603)	(72,015)	(630,896)
Effective Gross Income		595,425	1,167,816	1,191,173	1,214,996	1,239,296	1,264,081	1,289,363	1,315,151	1,341,453	1,368,282	11,987,037
Expenses												
Operating Expenses		202,172	321,111	330,745	340,666	350,885	361,412	372,254	383,422	394,925	406,773	3,464,366
Management Fee		35,759	70,400	71,808	73,257	74,734	76,224	77,762	79,331	80,907	82,540	722,722
Reserve for Replacement	3%	18,000	24,720	25,462	26,225	27,012	27,823	28,657	29,517	30,402	31,315	269,133
Total Operating Expenses		255,931	416,232	428,014	440,148	452,632	465,458	478,673	492,270	506,235	520,627	4,456,220
Net Operating Income		339,494	751,584	763,158	774,848	786,664	798,623	810,690	822,881	835,218	847,655	7,530,817
Debt Service												
Construction Loan Interest		-	-	-	-	-	-	-	-	-	-	-
First Mortgage- HUD 221(d)(4)		-	473,677	631,570	631,570	631,570	631,570	631,570	631,570	631,570	631,570	5,526,236
Total Debt Service		-	473,677	631,570	631,570	631,570	631,570	631,570	631,570	631,570	631,570	5,526,236
DSCR- 1st Mortgage			1.59	1.21	1.23	1.25	1.26	1.28	1.30	1.32	1.34	
Cash Flow		339,494	277,907	131,588	143,278	155,094	167,053	179,121	191,311	203,648	216,085	2,004,580
LP Priority Return		294,562	277,907	131,588	143,278	155,094	167,053	179,121	191,311	203,648	216,085	1,959,648
Accrued Return		-	16,655	162,974	151,284	139,468	127,509	115,441	103,251	90,914	78,477	
Cumulative Accrued Return		-	16,655	179,629	330,912	470,380	597,889	713,330	816,581	907,495	985,972	
Cash Flow		44,932	-	-	-	-	-	-	-	-	-	44,932
Incentive Management Fee	80%	44,932	-	-	-	-	-	-	-	-	-	44,932
Available Cash Flow for Distribution		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Allocated As Follows:												
General Partner	0.01%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Limited Partner	99.99%	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

GORMAN & COMPANY, INC.

East Library Project Timeline, Scenario 1: Affordable Apartments

2012

February 3: WHEDA Application (Financing Application)

March 1: Assumed final authorization by Library Board

May 1: WHEDA decision for tax credits

If WHEDA awards credits on this date, we will pursue an affordable housing scenario and obtain a purchaser of the tax credits.

May-August: Prep of construction drawings/plans

Sept 1-30: City review and comments

October 1-31: Revision based on comments

Nov. 1-30: Project bidding

Dec. 1-31: Permitting

2013

January: Construction starts

September: Conveyance of Library to City

2014

March: Occupancy of secondary use (Off site library relocation)

July: Occupancy of secondary use (On site library relocation)

GORMAN & COMPANY, INC.

East Library Project Timeline, Scenario 2: Market Rate Apartments

2012

February:	HUD Application for 221(d)(4) financing
April:	HUD response
May:	Secondary HUD application
June:	HUD review of secondary application
July - August:	HUD response and approval
August-Nov:	Prep of construction drawings/plans
December:	City review and comments

2013

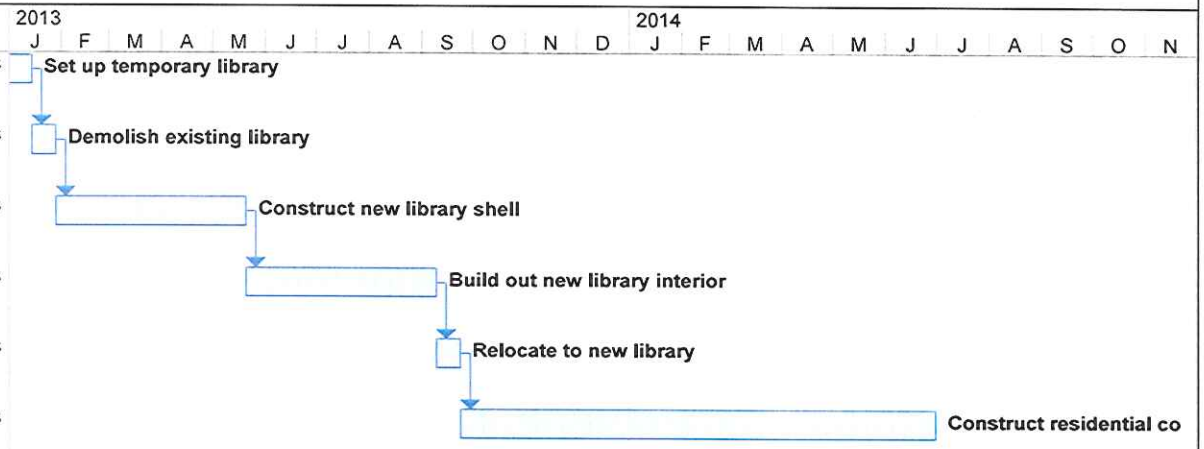
January:	Revision based on comments
Febaruary:	Project bidding
March:	Permitting
April:	Construction starts
December:	Conveyance of Library to City

2014

June:	Occupancy of secondary use (Off site library relocation)
October:	Occupancy of secondary use (On site library relocation)

East Side Library
Projected Schedule
On Site Relocation

ID	Task Name	Duration
1	Set up temporary library	2 wks
2	Demolish existing library	2 wks
3	Construct new library shell	4 mons
4	Build out new library interior	4 mons
5	Relocate to new library	2 wks
6	Construct residential component	10 mons

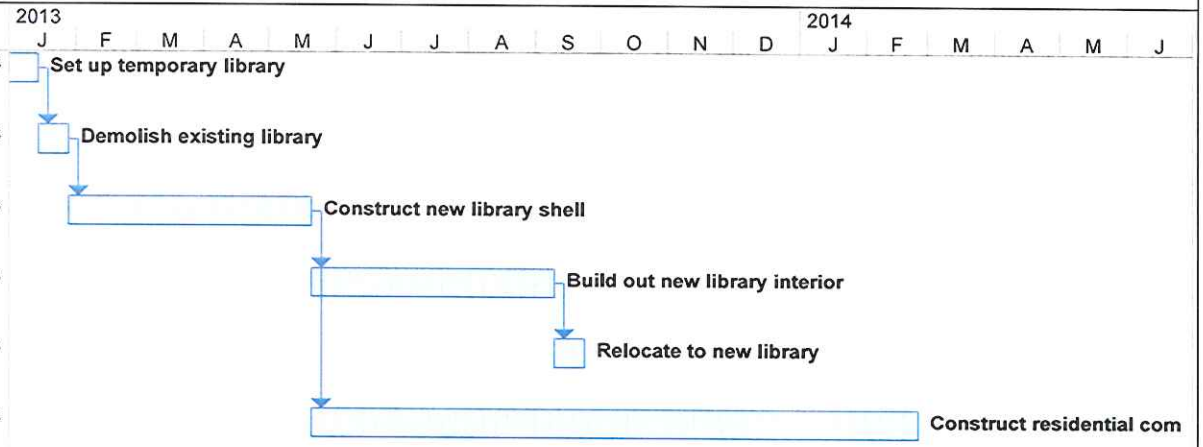


Project: On Site Relocation.mpp
Date: Wed 10/26/11

Task		Milestone		External Tasks	
Split		Summary		External Milestone	
Progress		Project Summary		Deadline	

East Side Library
Projected Schedule
Off Site Relocation

ID	Task Name	Duration
1	Set up temporary library	2 wks
2	Demolish existing library	2 wks
3	Construct new library shell	4 mons
4	Build out new library interior	4 mons
5	Relocate to new library	2 wks
6	Construct residential component	10 mons

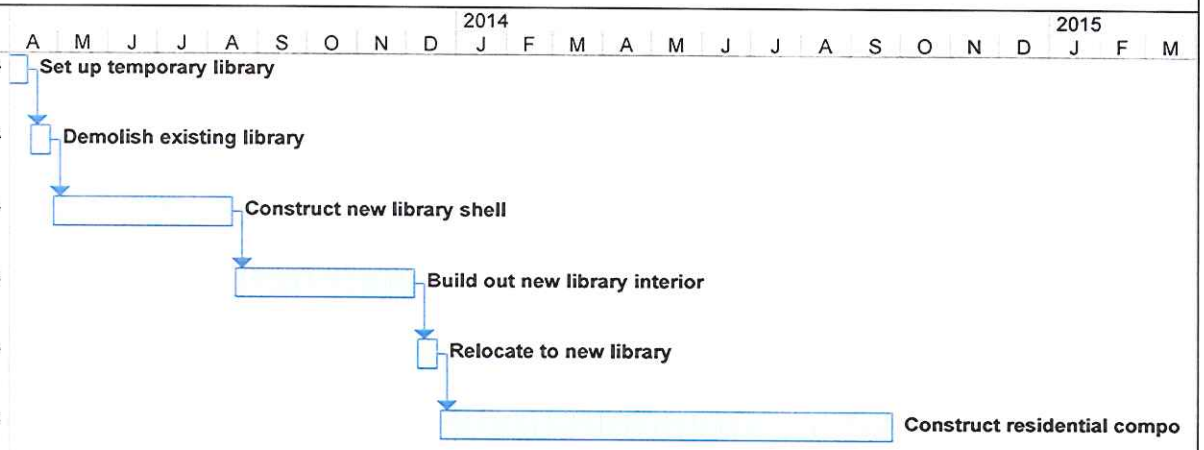


Project: Off Site Relocation.mpp
Date: Wed 10/26/11

Task		Milestone		External Tasks	
Split		Summary		External Milestone	
Progress		Project Summary		Deadline	

East Side Library - Market Rate
Projected Schedule
On Site Relocation

ID	Task Name	Duration
1	Set up temporary library	2 wks
2	Demolish existing library	2 wks
3	Construct new library shell	4 mons
4	Build out new library interior	4 mons
5	Relocate to new library	2 wks
6	Construct residential component	10 mons

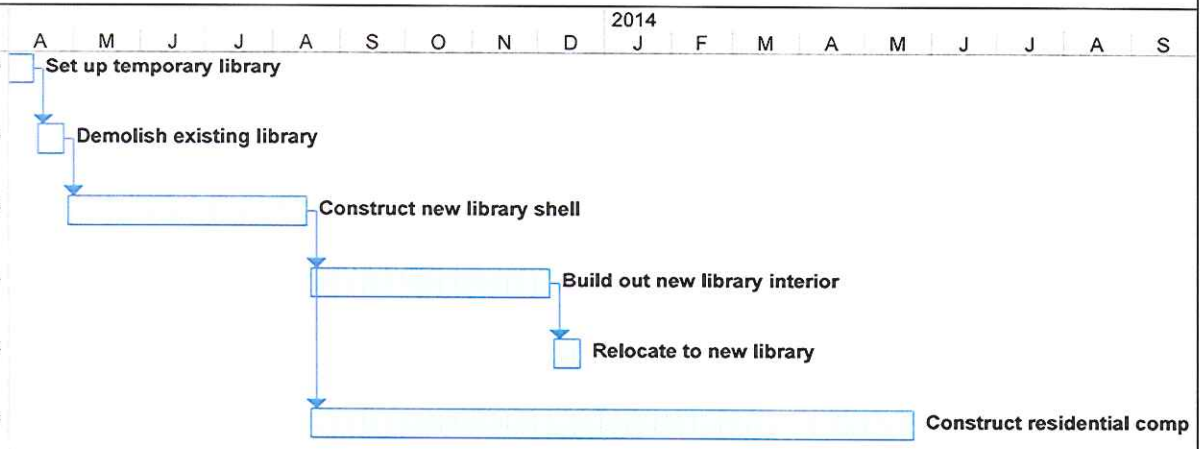


Project: On Site Relocation.mpp
Date: Wed 10/26/11

Task		Milestone		External Tasks	
Split		Summary		External Milestone	
Progress		Project Summary		Deadline	

East Side Library - Market Rate
Projected Schedule
Off Site Relocation

ID	Task Name	Duration
1	Set up temporary library	2 wks
2	Demolish existing library	2 wks
3	Construct new library shell	4 mons
4	Build out new library interior	4 mons
5	Relocate to new library	2 wks
6	Construct residential component	10 mons



Project: Off Site Relocation.mpp
Date: Wed 10/26/11

Task		Milestone		External Tasks	
Split		Summary		External Milestone	
Progress		Project Summary		Deadline	