BIGGI COMMONS

NAIOP WORKSHOP
PORTLAND STATE UNIVERSITY
CENTER FOR REAL ESTATE

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EXECUTIVE SUMMARY

PROJECT OVERVIEW

Biggi Commons is the next premiere real estate development being delivered to the rapidly growing Beaverton, Oregon region, directly in front of the most trafficked transit center in the area.

The project consists of retail, medical office, food trucks and apartments, and hosts activities such as a farmer's market and cooking classes. Biggi Commons caters to the suburban resident who prioritizes urban amenities, health, accessibility, and attractive design.

Local demand for apartments is strong, therefore the development team envisioned this 168,526 square foot apartment building, with light retail along the first floor. The unit mix varies from studios to three-bedroom, for a total of 141 units, and an average unit size of 831 square feet. The first-floor retail totals approximately 7,027 square feet, which neighbors the apartment lobby and parking. The residential parking will be made up of mechanical car stackers, resulting in 113 spaces. Lastly, the medical office building will be roughly 29,821 square feet and will share with the retails the 126 surface level parking spaces.

KEY CONSIDERATIONS

In constructing this concept for the site, there were a variety of considerations that were key in determining the viability of the project as a whole. Profitability and return on investment were significant aspects, thus prioritizing market rents and operating incomes for both the apartments and the medical office.

Another focal consideration for this site was parking. The development team made several adjustments and changes to the orientation of the buildings in order to make the parking efficient and still meet the standard requirement.

Construction costs were also a vital factor. The size of the building affects the construction material that is used simply due to cost; therefore, this was an important decision in relation to our building type as cost cannot outweigh the profit of the project. Overall, these aspects were at the forefront of the team's decision in establishing the feasibility of the project.

BIGGI COMMONS

NOI (stabilized)	**$3,502,920**
Total development cost	**$56,265,570**
Total return on cost	**6.23%**
Leveraged IRR	**14.11%**

PROJECT FINANCIAL SUMMARY

The Table on the right summarizes the financial assumptions for the project assuming a 10-year holding beyond the Year 5 Stabilization. The projects stabilized year NOI is $3,502,920 and leveraged IRR is 14.11%. Net Present Value is $113,983,198 with the projected 8% required return by the Biggi Family. The owner's expressed objectives were long term hold, risk-adverse, and investing no more than $2 million equity in this project. The development team's financial analysis shows that the project satisfies the owner's objectives.

For expanded financial assumptions including detailed phased development costs, revenue and expenses, project level annual cash flows, sources and uses summary, and investors profit shares, please see the Financial Plan section and Appendix section.

RISK ANALYSIS

The development team tested the sensitivity of the projects return at different Exit Cap Rates. In the project, the team used a 5% exit Cap Rate for apartment building and a 5.5% exit Cap Rate for Medical Office. The worst-case scenario predicts the project's return decreases by 2.63% on the project-level IRR.

Exit Cap Rate (Resdential)	Exit Cap Rate (Medical Office)	Leveraged IRR
4%	4.50%	17.97%
4.50%	5%	15.83%
5%	5.50%	14.11%
5.50%	6%	12.68%
6%	6.50%	11.48%

CONSOLIDATED FINANCIAL SUMMARY	TOTAL
DESIGN ASSUMPTIONS	
BULDING GROSS SF	198,347
RESIDENTIAL GROSS SF	168,526
RESIDENTIAL RENTABLE SF	117,133
RETAIL RENTABLE SF	7,027
MEDICAL OFFICE GROSS SF	29,821
MEDICAL OFFICE RENTABLE SF	28,136
MECHANICAL PARKING SPACES	113
COST ASSUMPTIONS	
LAND VALUE ($/SF)	$36.92
HARD COSTS ($/SF)	$203.68
SOFT COSTS ($/SF)	$51.85
TOTAL DEVELOPMENT COSTS ($/SF)	$283.67
TOTAL DEVELOPMENT COSTS	$56,265,570
INCOME & OPERATING EXPENSE ASSUMPTIONS	
REVENUE (STABILIZATION)	$4,787,058
OPERATING EXPENSES (STABILIZATION)	$1,212,828
NOI(STABILIZATION)	$3,502,920
EXIT ASSUMPTIONS	
RESIDENTIAL EXIT CAP RATE	5.00%
MEDICAL OFFICE EXIT CAP RATE	5.50%
REVERSION VALUE	$90,701,894
REVERSION VALUE ($/SF)	$457
CONSTRUCTION DEBT ASSUMPTIONS	
LOAN TO COST	65%
TOTAL DEBT	$ 36,572,620
EQUITY REQUIRED	$ 19,692,949
INTEREST RATE	4.50%
PERMANENT DEBT ASSUMPTIONS	
LOAN TO VALUE	70%
DEBT SERVICE COVERAGE	1.28
TOTAL DEBT	$ 47,635,826
INTEREST RATE	4.00%
AMORITIZATION PERIOD	30
LOAN TERM	10
RETURN ASSUMPTIONS	
YIELD ON COST	6.23%
LEVERAGED IRR	14.11%
PROFIT SHARES ASSUMPTIONS	
IRR TO PRIVATOR INVESTORS	15.78%
IRR TO BIGGI FAMILY	23.05%

DEVELOPMENT PROPOSAL

DEVELOPMENT CONCEPT

Biggi Commons is designed to bring people and activities to the downtown Beaverton, to create a recognizable, vibrant and walkable neighborhood, and to promote a healthy lifestyle. The project creates a new activity center in downtown Beaverton.

The project is a multi-use development that will help serve multiple needs near the downtown Beaverton. After a market study of the area, the development team decided to proceed with a multi-use development consisting of a six-story multi-family building with indoor parking garage, ground floor retail, plus a two-story concrete tilt-up medical office building along Lombard street.

The medical office building provides roughly 30,000 square feet of Class A medical office space with an attractive common space and lobby at the ground floor entrance.

The multi-family building will provide five levels of higher-end units with a total of 141 rentable units coming to a totaling roughly 168,000 square feet. The multi-family building will have covered parking at the ground floor with a mechanical parking structure to help serve the residents. The site will consist of surface parking near the northwestern and western portion of the property, a public park on the eastern side that falls within a flood plain area, food truck center near the southern side of property, and a ‘Biggi kitchen’ in one of the ground floor retail spaces. This will help provide an overall welcoming and comforting feeling for the residents of the apartment units along with the medical office, providing locally sourced foods on the property, a public park, and easy transit access to the downtown city center.

DEVELOPMENT PROGRAM

The development program for Biggi Commons consists of a three-year development timeline that shows the development team holding the project until it reaches Year 14. After the 10 years holding period following stabilization, the project will then be sold and the debt service and equity distribution will be distributed to equity investors. The project will go through entitlements and design review for 6-8 months, then the schematic, design development, and construction drawings will require10 months. Once these phases are completed, total construction time for both projects will be 1.5 years. The project will be split up into two different phases and constructed over two different time periods. The multifamily project will be constructed first to help rent the complex quicker, and construction of the medical office building will commence eight months after the apartment complex. The reasoning behind this is to pre-lease a medical office tenant, and then build the project assuring that the space is appropriate for the tenants and pre-leased.

SITE SUMMARY

LOCATION

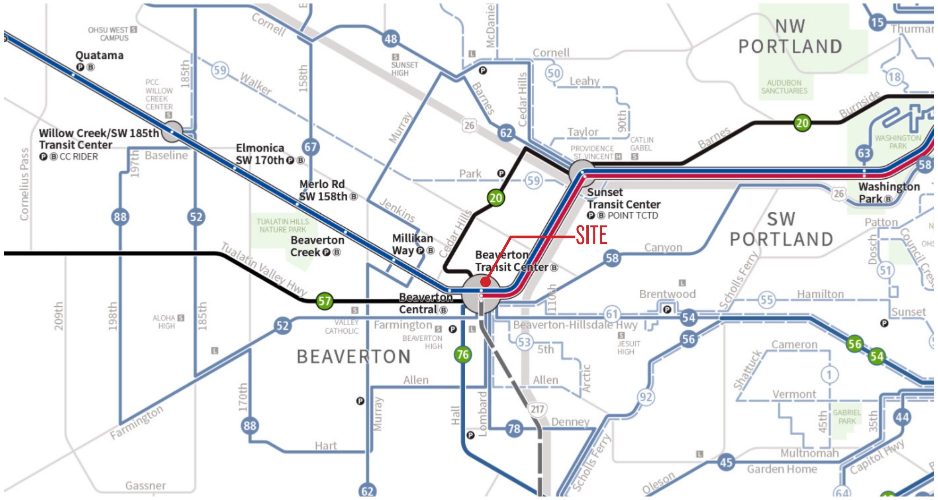
The site is located on block 11 Tax Lot 1S110CC01300 of the Greater Washington County which translates to about two miles from Central Beaverton.

The subject site area is 3.42 acres of vacant land at 3860 SW Lombard Avenue, Beaverton. This area is within the Downtown Regional Center-Transit-Oriented District, close to Portland on the downtown-south-side of Beaverton, which is well-known for its rapid development and growth in the Portland area. Beaverton is an industrialized city with Nike Headquarters located there. Biggi Commons will be situated in this economic hub, and provide an unique opportunity for investors in the housing industry due to its ideal location, its extensive transport access and proximity to the Portland airport.

TRANSPORTATION

This area is well served by major transport networks with bus routes, WES and MAX plying nearby and through the site. The area also invites frequent visitations by riders - about 112,000 per week - making it a busy hub of activity. It has been proposed to have construction of bike lanes, three sidewalks, and additional roads that will serve added traffic demand that this area is developed. This will enhance the cultural, entertainment, and shopping activities that dominate the area.

An investment in projects that cater to community needs is enhanced by this project's sidewalk restaurants, food carts, cafes, medical clinics, entertainment outlets, and shopping spaces. The Biggi Common has multiple prospects of success.



“Instead of growing horseradish, we’re growing businesses.” Domonic Biggi said. “I think Grandma would have liked that.”

Beaverton Foods, Inc.
America's Finest Gourmet Condiments since 1929

OWNERSHIP

The owner of the site located at 3860 SW Lombard Ave Beaverton, OR 97005 is the Biggi family. The Biggi family has a legacy of four generations of Oregon food-making. They were the first company in the country to produce a domestic Chinese hot mustard that caught the attention of Chinese restaurants and distributors in San Francisco’s Chinatown. Although Beaverton Foods moved its manufacturing operations to Hillsboro in 2001, its connection to Beaverton continues. In 2018, Domonic and two of his siblings opened the Beaverton Food Cartel. The venture, which features more than 30 food carts, a bar, and an event hall, sits on the site of the old horseradish patch that gave rise to the family business back when Rose Biggi was a young mother struggling to care for her family. Now Domonic oversees the Company. Domonic discovered that many of the food cart owners are immigrants fulfilling their dreams to own and run their own businesses. “Instead of growing horseradish, we’re growing businesses.” he said. “I think Grandma would have liked that.” The development team’s proposal builds on the Biggi legacy and adds to the vibrancy of the Beaverton community, where their many roots still remain.

ZONING AND PLANNING

BEAVERTON COMMUNITY PLAN VISION

BUILDING COMMUNITY

VIBRANT DOWNTOWN

IMPROVING MOBILITY

PROVIDE PUBLIC SERVICE

ENHANCE LIVABILITY

Biggi Commons focuses on **building community** through elements of urban design that frame the transit center and Lombard Avenue to welcome residents and guests into the downtown core of Beaverton. Activating the street front on Lombard through retail frontages and the road in front of transit line through the placement of food carts **creates a vibrant downtown** feeling. **Improved mobility** through increased connectivity by the city's proposal for a road behind the building, and promoting inter-cultural activities through the Biggi Kitchen and the year-round farmers market hosted on the plaza.

Biggi Commons creates a place, pulls people into downtown Beaverton, and supports active neighborhoods. The Biggi Commons takes **improving mobility** through satisfied requirements for parking, reduced visual impact of surface parking, and promotion of transit usage. It allows the integration of sidewalks and street store frontages.

The Biggi Commons adds to **community livability** through added housing options, sustainability features, and a public park on the southern edge of the property.

ZONING

The site is located in Downtown Beaverton next to the Beaverton Transit Center. Under the current city code this site is zoned RCTO. The city is currently working on a new development code for the site, which is what the development team followed for the project. Under the new city code, the site would be zoned RCBC.

70.04.1 Site Design

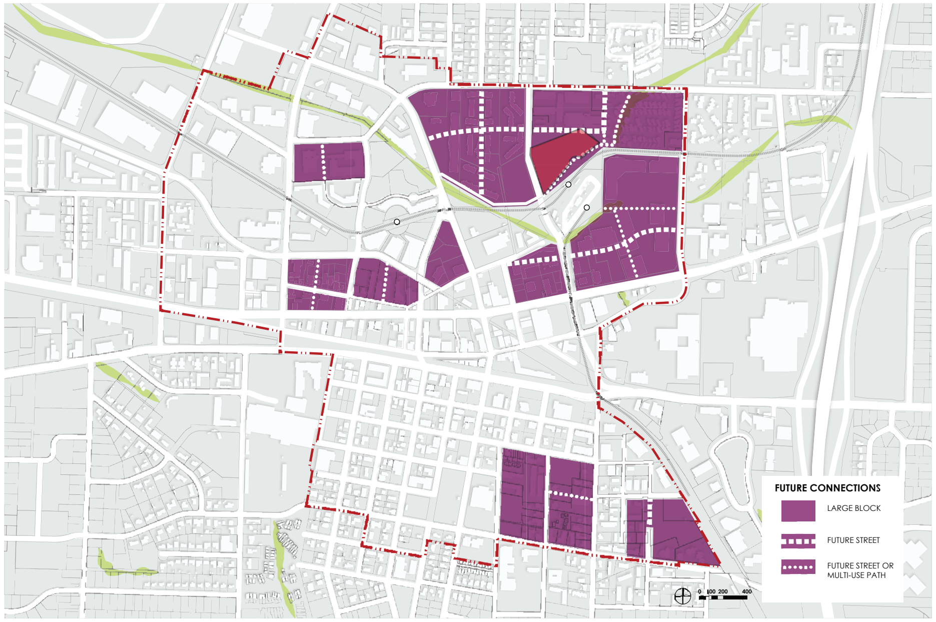


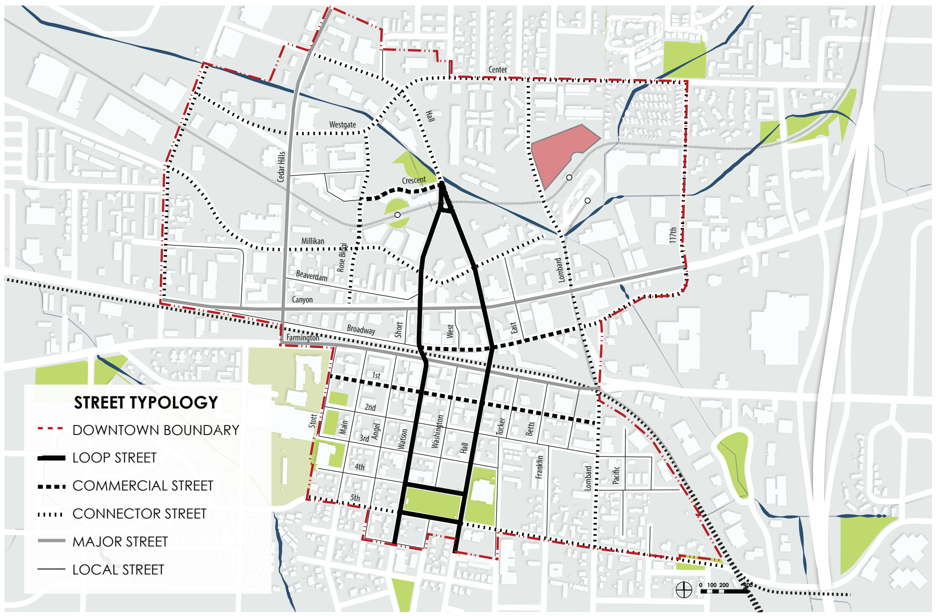
Figure 70.04.1.1.1 *Future Connections*

RCBC- Beaverton Downtown Design District Development Code

The minimum FAR is regulated on net acreage, which is the full site minus street dedications, public open space and environmentally constrained areas, including flood plains. As a result, the development team calculated the FAR based on the site acreage excluding the flood plain and land dedicated to the future street along the northern edge of the property. The minimum of 1.5 FAR is required by the zoning, and the development team provided actual FAR at 1.51.

As mentioned, when discussing FAR the new development code proposes new roads. Our site will be directly affected by these. The city proposes a future street on the backend of the property, and a future multi-use pathway along the front of the lot. Our plan accommodates the future street along the back of the property, but the development team have eliminated the proposed multi use pathway along the front of the property because there is a parallel pad circulation path adjacent in the plan.

70.03.3 Street Typology



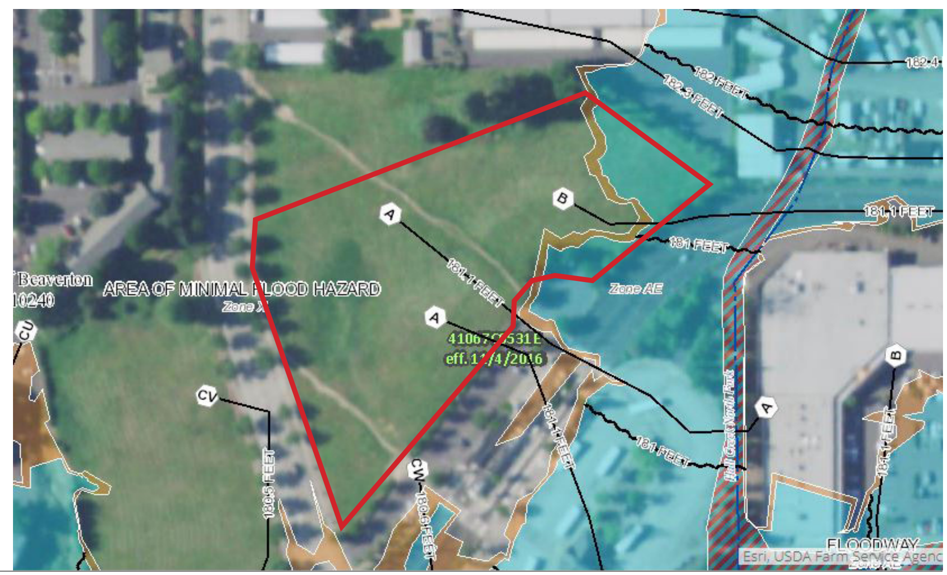
Minimum parking spaces are required for development approval and to support our retail, residential and medical office leasing efforts. Residential parking is required by the City at a rate of 0.75 per residential unit. The proposed new code plans to reduce non-residential uses parking rate to zero. The development team understands the City's effort in reducing parking in the Beaverton Downtown area; however, in order to attract potential tenants and make the project successful, the development team will need to provide enough parking spaces. Since the site is right next to a public transit center, the development team set our parking ratio at a minimum 3.9/1,000 sq.ft. for medical office and 3.0/1,000 sq.ft. for retail. A total of 237 parking spaces are required and the development team provided 239.

Secured long-term bicycle storage is required at one space per residential unit for multifamily development, allowing the development team to meet the requirements.

ZONING: RC-BC	REQUIRED	PROVIDED
Min FAR	1.5	**1.51**
Min GSF	196,830	**198,347**
Height Limit	120'	**68'/30'**
Parking	237	**239**
Long-term Bike Parking	*141*	***141***

FLOODPLAIN MITIGATION AND CONSIDERATIONS

The east portion of the site is in the Special Flood Hazard Areas. The Code requires two-feet elevated lowest floor above the base flood elevation for new developments. Since the new development is not suitable in this area, the development team designed it as a public open space with landscaping and trails, accounting for 10% of the site.



DESIGN CHALLENGES

SURFACE PARKING IS NECESSARY

Surface parking area is driven by the size of the medical office building. The more density the development team develops, the more parking spaces the development team need to support the project, and the more negative impacts will have on the proforma. For a 30,000sf medical office, the development team needs roughly 110 parking spaces, even after the development team lowers the parking ratio based on nearby access to public transit. As parking structures are expensive to build without city funding or assistance, surface parking is the only financially feasible solution. Surface parking is necessary for the project to be penciled.

SURFACE PARKING LOCATION

Ideally, surface parking should not face the main road. However, Lombard is the only public road bordering our site. Although the City is proposing a future road on the north of our site, the team cannot rely this because the team does not know when it will be built. As the only public road, the development team has to position the commercial building on Lombard instead of the residential building, in order to access the commercial building directly from the public road without cutting through the plaza in front of the residential building. In this way, the development team can create a central plaza that is more walkable and more inviting to people.

ACTIVE GROUND FLOOR USE

The City's new code requires the combined length of the active ground floor use equal in length to one-half of the longest diagonal measurement of the site and must be assigned along a public right of way or other publicly accessible space on the site. one-half of the longest site diagonal is 322 feet. The allowed ground floor uses can be retail, restaurant, medical clinics, office, food cart pods, primary lobby access to the building or residential amenity spaces. The development team has a medical office building facing Lombard Avenue, food carts access from the south of the site, commercial kitchen (Biggi Kitchen) access from the public central plaza, totaling of 510 feet in length.

DESIGN

The overall design of the site is designed to maximize use of the available land within the site. The apartment building features a U-shape design and is oriented on the northeastern side of the property. The majority of the building is south facing, so maximum natural daylighting is used for the building of units and outdoor patios, while also reducing energy costs. The apartment complex will consist of tall storefront systems along the ground level for the retail locations; a combination of stucco, brick façade, and fiber cement siding provides a new and up-scale look to the building. The medical office will consist of a two-story concrete tilt-up building design, along with an exterior patio on the northern side of the second floor to serve the tenants. The medical office will be adjacent to Lombard street and will cover 60% of the frontage along Lombard Avenue as required by the new code.


Future Road
Apartment Building
(6 stories)
Flood
Hazard
Areas
Future Road
Residential
Parking
Parking
Entrance
Loading
/trash
Bike
Storage
Mech
Lobby
Mail
Leasing
Back
of
house
Biggi
kitchen
3,840sf
Retail
3,187sf
Double stacking stalls
Future Road
Central Plaza
Food Truck
SW Lombard Ave.
Medical Office
(2 stories)
Waiting
Loading
Light Rail Platform

SITE PLAN

DESIGN HIGHLIGHTS

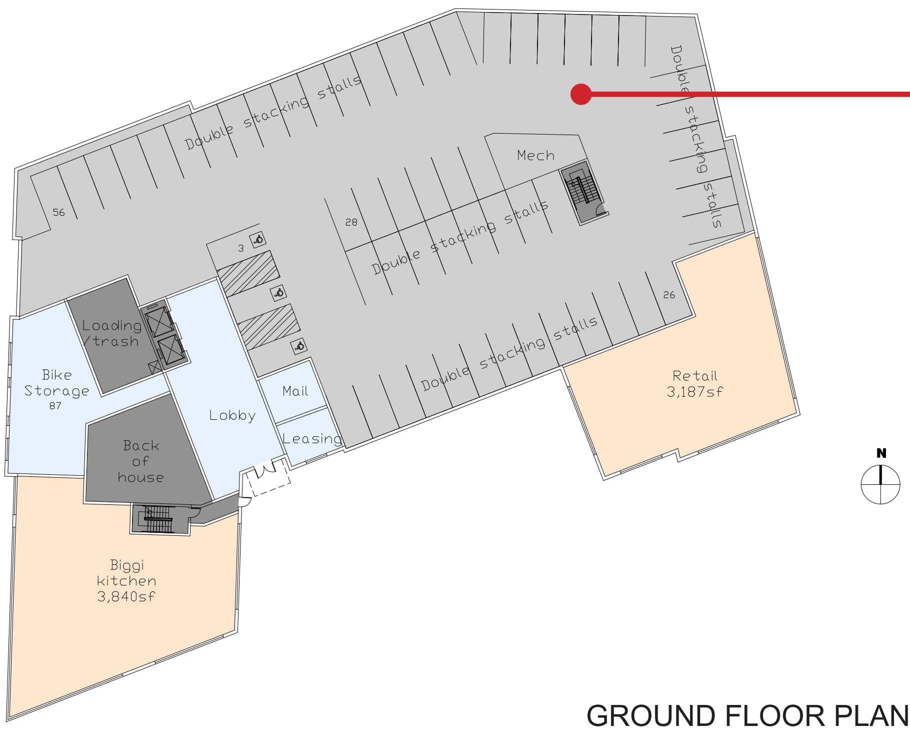
PARKING SOLUTIOINS

Adequate parking is needed to attract the target market based on income levels and lifestyles. The ground floor of the apartment will house a total of 110 mechanical double-stacking parking stalls and three ADA stalls near the lobby. Double-stacking parking takes advantage of the higher floor-to-floor height on the ground floor. With no underground parking structure, saved excavation and waterproofing cost can easily offset machine cost for the mechanical parking and help to save space and reduce construction costs.

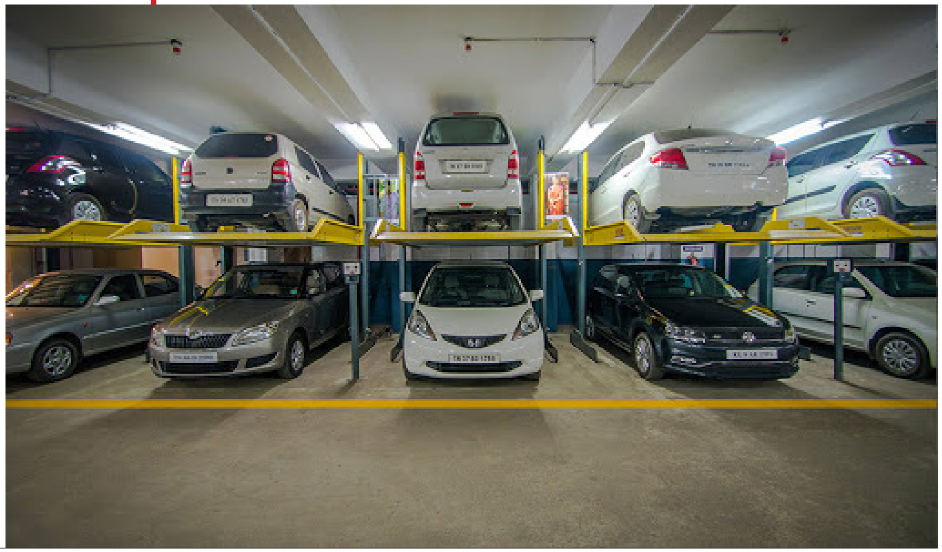
While the 113 parking spaces are mainly for residential tenants' use, 126 surface-parking stalls serve for the medical office and retails. To better manage the parking lot and assure plenty of parking spaces reserved for retail customers, patients, and office tenants, the development team will use a validated parking system.

The development team meets the City's proposal of a minimum parking ratio of 0.75 per residential unit in the new code. Due to the suburban nature of the project, the development team can bring a higher parking ratio for residents with shared parking. A certain number of residents are anticipated to drive to work before 8:30am and drive back home after 5:30pm on workdays, while medical office clients use the parking lot only during business hours. As a result, the surface parking lot can be shared by commuting residents and office tenants. With this strategy, the total residential parking ratio can be brought up to 1 per unit or even higher.

On weekends, the surface parking lot can be used by other activities on site, such as the Farmer's Market and live music events. Medical office client parking will be substantially reduced on Saturday and Sunday.



GROUND FLOOR PLAN

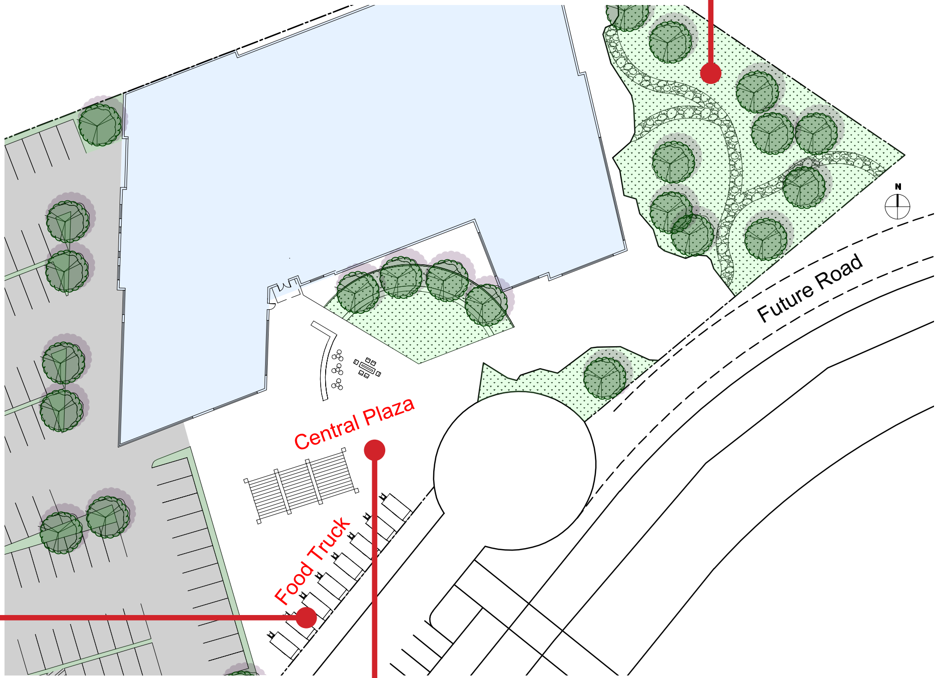


TRANSIT ORIENTED AMENITIES

The main lobby of the apartment is facing the central plaza on the south site of the building. The on-site food carts create an attractive amenity to bring people and activities to the central plaza. The food cart scene in the City of Beaverton continues to evolve and expand, and serves as a way for visitors to explore local food. The food carts attract residential tenants, medical office employees and patients, while also providing grab-and-go opportunities to transit commuters, through strategically placing the food cart pod adjacent to the Trimet platform. The shaded sitting area in the project's central plaza encourages people to dine outdoors.

The development team plans to bring a weekly Farmer's Market to the central plaza to attract more people and activities on the site. Besides people living in the neighborhood, the Farmer's Market also attracts fresh food enthusiasts who rely on public transportation.

The public open-park area in the floodplain zone which will connect to the future multi-use path is another valuable amenity. The open and natural space helps to promote flood control, wildlife habitat, and improve physical and psychological health, strengthen the community atmosphere, and make the neighborhoods more attractive place to live and work. A gravel natural path connects the open space to the central plaza.



RETAIL SOLUTION

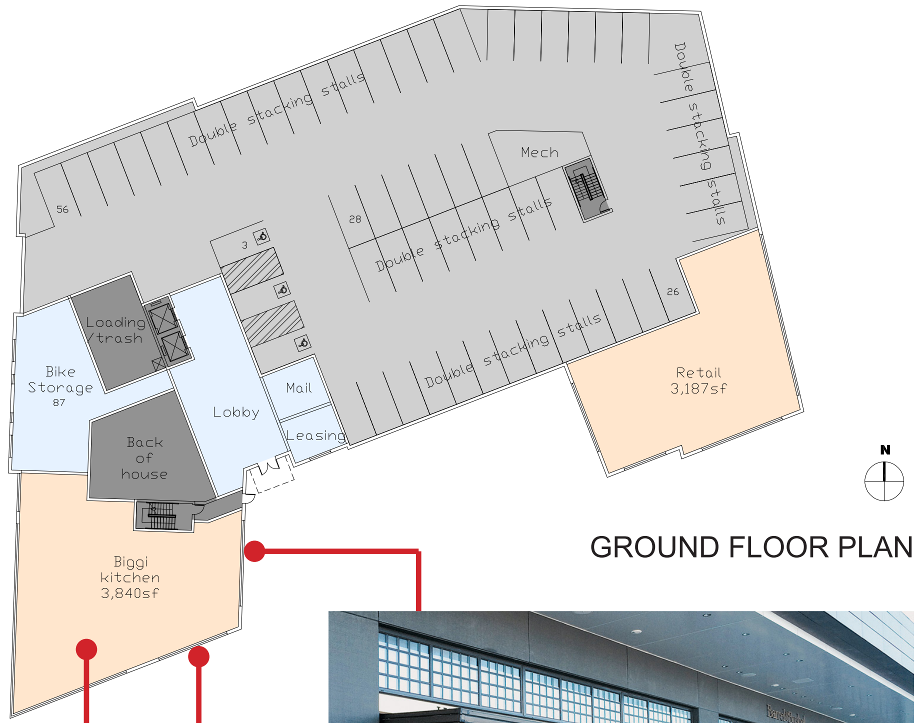
Biggi Commons is ideally located for Apartments and Medical Office but is not well-situated to capitalize on nearby retail demand drivers. Beaverton requires 'ground floor use' under the City's new proposed code. As a result, the development team addresses some ideas below for the potential retailers and how to mitigate the risk of retail in this location.

Directly adjacent to the surface parking and central plaza, the retail space at the southwest corner of the apartment building offers a great frontage to the central plaza. The owner of the site, the Biggi Family, has opened Beaverton's first food cart pod with 31 food carts across from City Hall, not far from this site. The success of BG Food Cartel gave the development team the idea of bringing a commercial kitchen into one of the retail spaces in this project. The development team calls it 'Biggi Kitchen'.

Biggi Kitchen can be rented out to users who may offer cooking lessons, to residents to cook and sell home cooking, or even rented by food carts owners if they need a bigger kitchen for their business or to expand cooking facilities for a special event.

In good weather, the folding doors facing the central plaza can fold upward and create a nice indoor/outdoor experience. People can bring their food out and dine in the shaded plaza. When closed, the folding doors have the look, feel, finish, and performance of a traditional storefront.

The other retail space is located on the southeast corner of the apartment building. Since the location is a little farther away from parking, it may not work as well for some traditional retailers. Despite this, the development team believes it is an ideal space for a potential daycare tenant. It has the advantage of being next to a transit station and also facing an open park. Part of the park can be fenced for an outdoor play area for kids while the rest can still be used for public recreation activities.



GROUND FLOOR PLAN

APARTMENT BUILDING AMENITIES

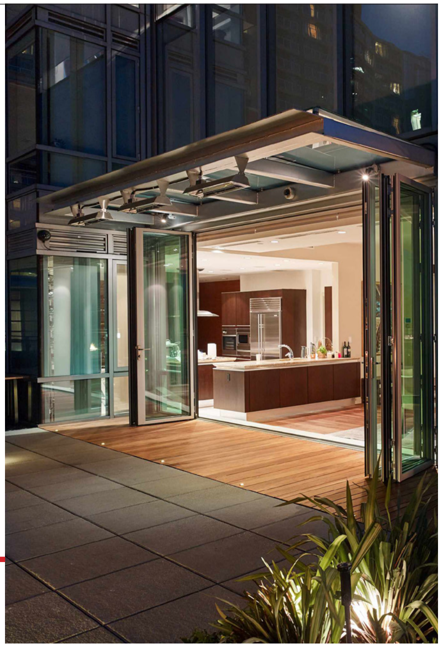
The ground floor of the apartment building will house a leasing office, a mail room, package lockers and bicycle storage. On the second floor, the units facing the courtyard will have direct access to the outdoor deck. The deck is designed with plants and landscaping that will help people keep distance from those units and provide privacy.

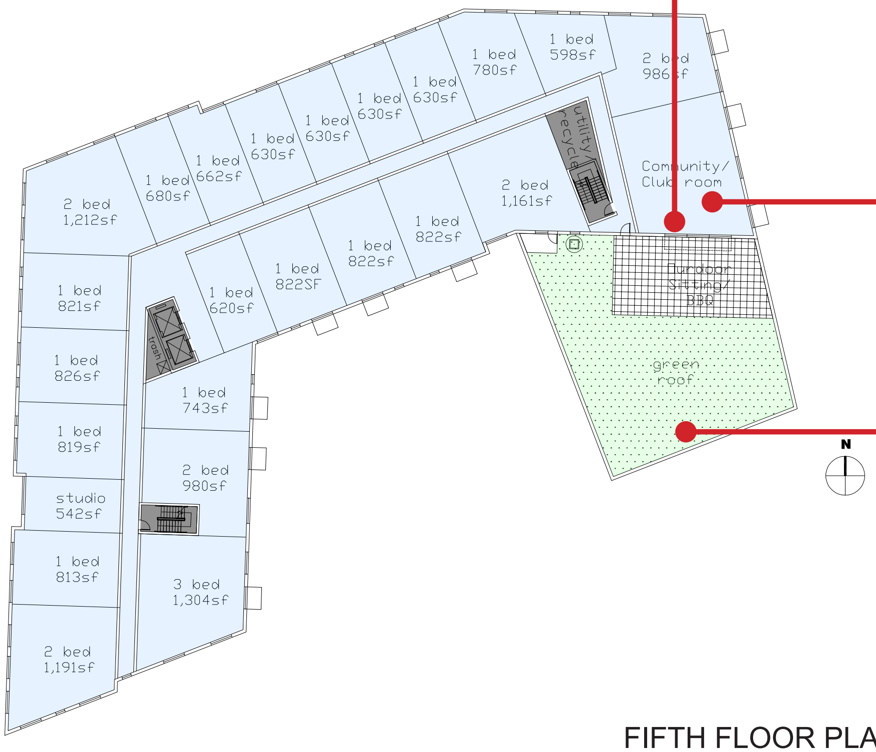
A fitness center on the second floor will have operable windows and an access door to the courtyard to maximize airflow. When people swim in the small pool on the deck, they are also able to get fresh air and exposure to the landscaping, which can help promote well-being and a positive outlook.

SECOND FLOOR PLAN

Units facing south and east with a view of the central plaza and the open parking will have private balconies.

On the 5th floor, the Community/Club room directly adjacent to the outdoor patio will have a folding door, which can fully open to create a unique indoor/outdoor experience. Under the wood trellis, the covered space provides tenants outdoor sitting areas, fire pits and BBQs, which allow people to connect with nature, socialize, and play with families, pets and friends. The green roof on the 5th floor provides a rainwater buffer, helping to purify the air and save energy by reducing the ambient temperature.



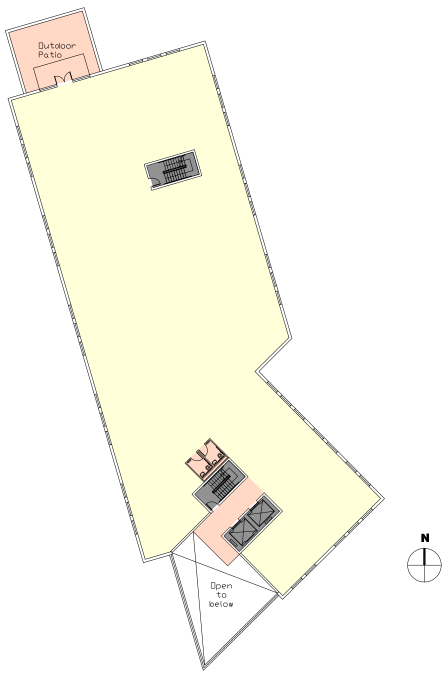


FIFTH FLOOR PLAN

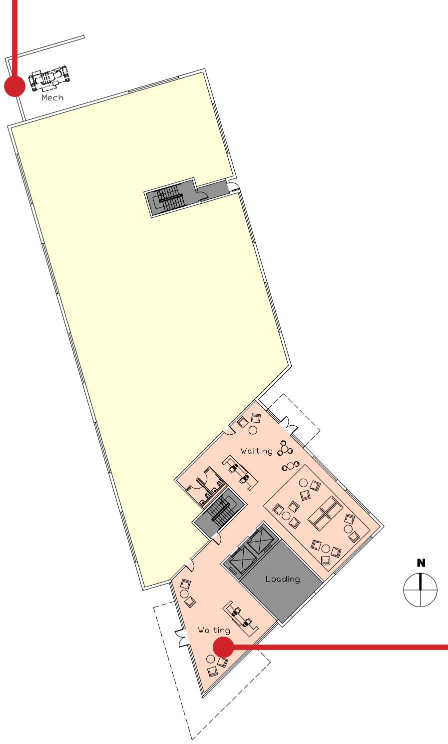
MEDICAL OFFICE AMENITIES

The main entrance of the medical office is through SW Lombard Ave. The double-height lobby creates a spacious south-facing sitting-and-waiting area. The through-flow lobby provides a secondary entrance facing the backside parking lot, which is convenient for people who reach the offices by car.

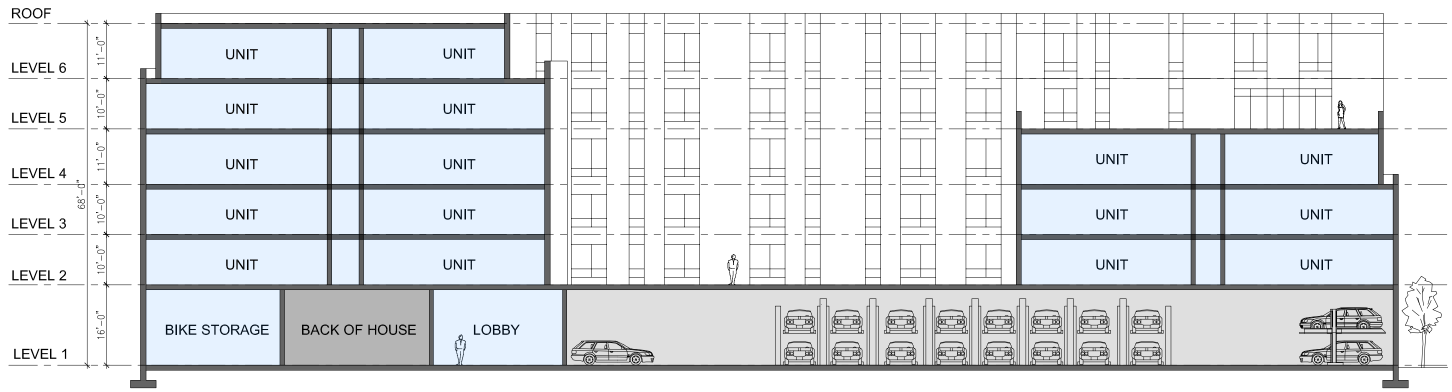
North of the medical office building, a living green wall serves as a visual, aural and mechanical screen. It offers aesthetics to passing pedestrians and helps relieve the heat-island effect in the city.



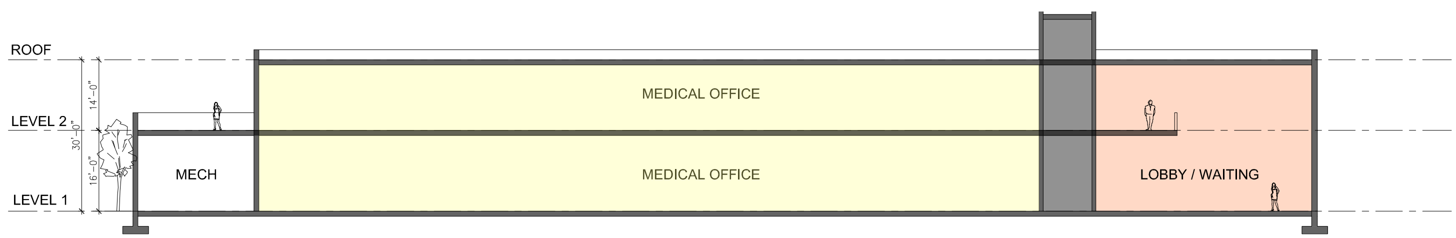
SECOND FLOOR PLAN



GROUND FLOOR PLAN



APARTMENT BUILDING W-E SECTION



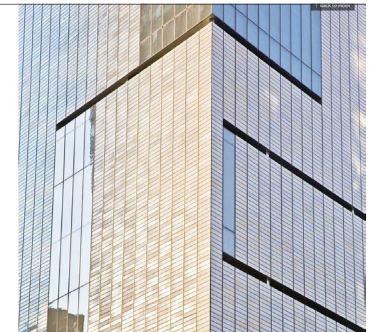
MEDICAL OFFICE BUILDING N-S SECTION

BUILDING MATERIALS

The exterior of the apartment building will use three main materials: white stucco, color-blended bricks and fiber-cement siding. The fiber-cement siding gives the appearance of natural wood but is more durable and easier to maintain in Beaverton's rainy climate. The dark bronze metal panel below the windows gives the building an accent color. The combination of these materials gives the building an elegant, concise and urbane appearance.

The medical office building will be precast concrete with two accent paints – white and bronze, which match the colors used on the apartment building. The tilt-up construction gives the building a clean and concise façade.

The white and bronze colors can be extended to the interior and give the tenants an impression of modern, cozy and relaxed aesthetic.



SUSTAINABLE FEATURES

With sustainability and future environmental health serving as a cardinal aim for this development, the team incorporated multiple building and property aspects to introduce sustainable features to the project. With a portion of the property falling within a flood zone, the team has incorporated a public park with sustainable landscaping features that enhance the natural environment, including a bioswale, large trees, and stormwater filtration systems to mitigate runoff.

The six story multi-family building provides variations of different green roof systems on the multiple outdoor patio areas throughout the building. The building will also include green wall systems near the outdoor plaza area to provide more landscaped privacy and peacefulness. The exterior façade includes floor-to-ceiling window systems in the residential rentable units, amenity spaces, and full-height storefront systems on the ground floor. The tall glazing systems are mostly eastern-and-southern facing to help maximize natural daylight entering the building, which also reduces energy costs.

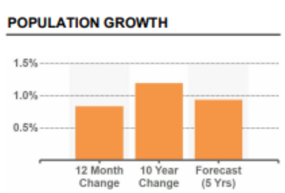
The two-story medical office building is equipped with tall glazing systems along the southern elevation of the building to help increase natural day lighting of interiors. The northwestern façade includes green wall systems to help increase the environmental health of the building. The apartment building is also constructed out of wood framing for the top five floors instead of a concrete-and-steel structure. This helps to reduce carbon emissions. These sustainable environmental features help to promote the project's sustainability and improved environmental health for tenants, visitors and staff, a few of whose jobs are tied to landscaping and green wall systems.

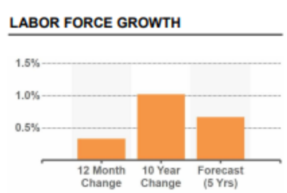
MARKET RESEARCH

DEMOGRAPHICS

About 2.4 million people call this overall urban region home. Beaverton is the sixth-largest city in the state and follows other cities closely such as Bend, Hillsboro, and Gresham. The population distribution as recorded by the Oregon government website indicates that there were about 99,102 people in the region as of 2020 of whom 51.82% were female with a median age of 35.2. These statistics also show that the median family size in this region is 2.40. With an annual growth rate of 1% per annum, the region is bound to develop fast with the population expected to grow at the rate of 10.35% annually as was the case in the year 2019.

The income levels for the families in this region range from $86,151 per household with an estimated poverty level of 12.9%. The median age for Beaverton residents is about 34.6 years old for men and 38.1 years old for women which are also associated with a very high education achievement of up to 91% of the population residing here.



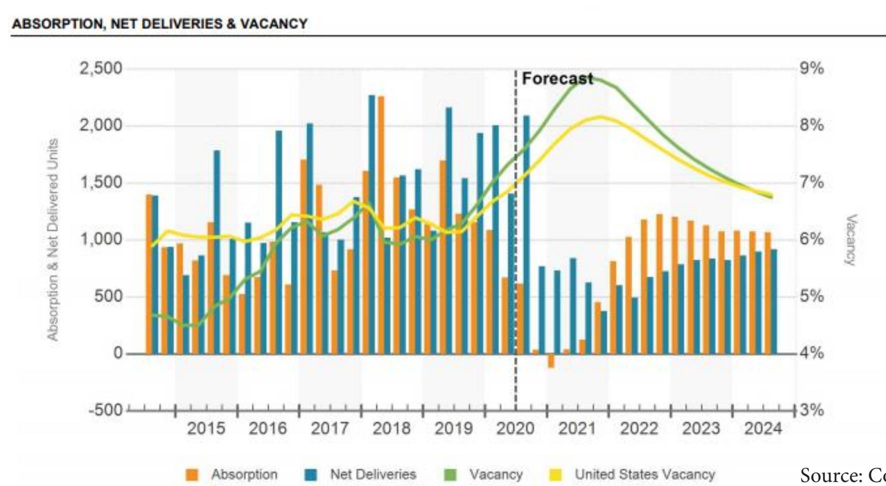


Source: Oxford Economics

EMPLOYMENT SYNERGY

The largest employers in the region include the Beaverton district school which employs more than 4,000, and Nike, which employs approximately 3,500 people. Other employers in the region include Providence Health Systems, Comcast Cable, the City of Beaverton, and IBM.

According to Data USA (2020), the employment rate grew by 4% between 2016 and 2017 from an estimated 49,000 employees to 51,000 employees. This has contributed to an increased demand for housing in the region as these experts move in to take more jobs in these sectors. It is important to note that most of the employees are office administrators, managers, salesmen, computer experts, mathematicians, and financial experts (Data USA, 2020). The demand is expected to continue as more jobs are created in the region. The region (pre-Covid) had a low unemployment rate and a standard of living that is slightly above the national average. The rental business is booming since individuals pay $1,269 per month while the property value for a single house unit is estimated at $352,000. This is a good indication of the potential growth that may be realized in Beaverton. There is a booming trend in real estate development since the higher population that has above average wages can continue demanding better housing as provided by the suppliers in the real estate market. This will provide a steady market for developers in Beaverton.



Source: CoStar

MARKET CONDITIONS

The development team underwent significant market analysis for this site. It is situated in a high traffic area and has a regional draw. Downtown Beaverton's proximity to major employers such as Nike, Tektronix and Maxim United with national and international customer connections presents a substantial potential interest and support for our Biggi Commons Project.

Multifamily / Mixed-use

Two points characterize the multifamily market of Beaverton. The first is that job growth continues (pre-Covid) and the rate of employment increase continues to be high. Second, Beaverton tight housing unit availability features high demand for multifamily /mix-use. With the Adidas and Nike offices expansion more demand for housing is in place. In general, due to large population in-migration (Workers), the multifamily market's statistics could moderate to more stable growth indicators in the long term, rather than endure major descending correction for the post-Covid period.

Beaverton's multifamily market continues to grow without recent signs of slowing down. Costar Multifamily Report's findings that overall vacancy rate in Beaverton is 7.3 percent, and the overall market rate per unit is $1,374. Furthermore, there are 405 vacant units in the area. The concession rate on the overall market area is 0.9 percent. Moreover, there are 157 units under construction in Beaverton and the rate of absorption is 12 months.

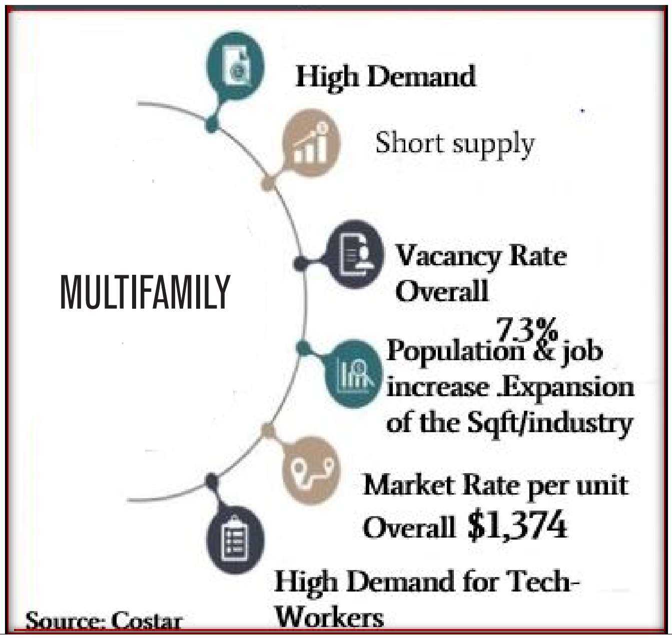
In summary, multifamily absorption has kept the 2018 pace over the past year, with the occupancy rate in stabilized properties decreasing just 10 basis points over 12 months, to 95.7 percent as of August. The Beaverton rental market remained healthy going into 2019's second half, backed by steady demographic and economic growth.

New construction in Beaverton core appears to be having an impact on vacancy, bringing a small measure of relief to a market constrained by previously existing supply and very robust demand.

Based on Colliers International Beaverton is forecasting another strong year in the local multifamily market, with several fundamentals resembling their 2020 performance. Job growth and general expansion in the local and regional economy are predicted to continue supporting strong demand for multifamily and Beaverton renters' ability to keep pace with rising rents.

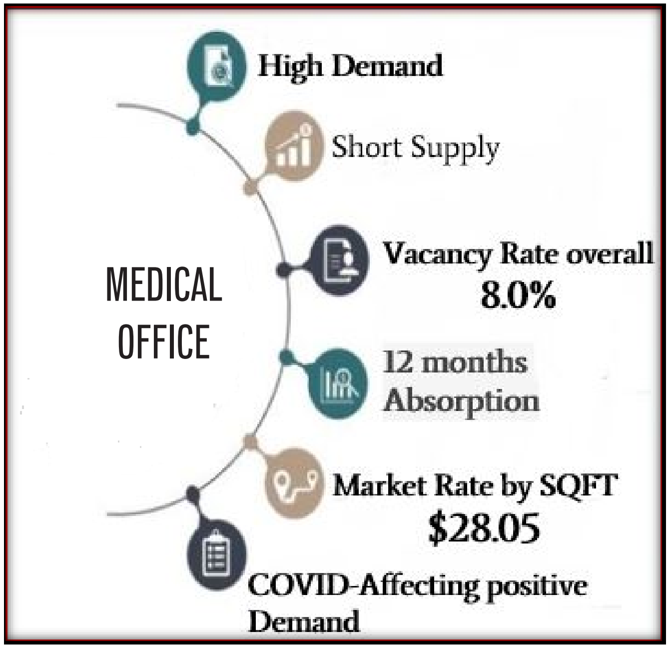
Irrespective of COVID decline, the real estate multifamily / mix use market was strong in 2020 and it was projected that the demand for this type of housing will continue rising. Collier International reported that there were about 854,197 sq. ft. that is being constructed in the area since the COVID 19 pandemic struck and this is an indication of a positive outlook by investors since there has been a 3.4% increase annually on rentals over the years. This shows that market demand will continue to rise.

Still, this means that the real estate market development will continue to improve and grow strongly to meet the demand for multifamily/mix-use in the next year. There is a need to continue supplying houses in Beaverton and this is the right time for investors to increase and improve their business portfolios to take advantage of this new trends.



Medical Office

Based on Collier international the depression created by the COVID-19 pandemic is anticipated to impact the U.S. medical office market heavily. The outlook for the medical office market in the area remains largely favorable. Healthcare is expected to be one of few industry sectors that will gain jobs from the pandemic. The demand from the cancellation of procedures will result in countless medical practices working tirelessly to meet the needs of their patients. The current economic situation will also create new demand, as policy changes could potentially alter space and size demands of medical practices.



Beaverton's medical office market demand continues growing without any signs of slowing down. Costar medical office Report's indicates that overall vacancy rate in Beaverton medical office is 8.0 percent, and the overall market rate per unit is $28.05 sq.ft. Furthermore, there is no new Construction of medical offices in the area. The data shows that 12 months absorption is in place with lease absorption of 6 months. New construction medical office in Beaverton core appears to be within short existing supply and very robust demand. COVID-19 is affecting this market positively.

MARKET COMPARABLES

Multifamily

The suburban market of Beaverton, Oregon has become an area of growth and opportunity in many aspects. From the job opportunities to the low crime levels and safe communities, the housing market for this area has attracted a substantial number of individuals and families. More specifically, the multifamily market has seen quite a rise, in both supply and demand. Not only has the style of the apartments changed to a more modern and urban feel, but the overall building size and asking rental rate has increased. With that being said, our six story 141-unit mid-rise style apartment building has a proposed asking rental rate of $2.20, which aligns with the average price per square foot for the Beaverton multifamily market.

In the past, Beaverton was accustomed to garden style walk up apartments, approximately three stories maximum, with roughly an average unit size of 900 square feet. As the area has grown significantly, the apartments are currently trending away from garden style and more towards mid-rise style with interior elevators. They now range from four to five stories maximum and the average unit size has slightly decreased to nearly 700 to 800 square feet. For instance, the 'Rise Central' is a brand new, five story, 234-unit apartment building, built in 2019, that encompasses the new mid-rise urban style apartment characteristics. The average unit size is roughly 729 square feet, with an average rent of $2.28 per square foot. In addition to the fitness center and rooftop amenity space, this building offers a gameroom, individual balconies per unit, and garage parking. Currently, the Rise Central has the highest asking rents that Beaverton has yet to see, however, it is also the newest apartment building in the suburban market to date.

In terms of building age, the second newest apartment building in the area is 'Baseline 158.' Yet another mid-rise style apartment, totaling five stories and 209 units. The average unit size is about 841 square feet, with an average rent of $2.04 per square foot. This building entices potential renters with its heated exterior saltwater pool and spa, outdoor grilling kitchen and fireplace, and community gameroom.

Clearly, the young and modern apartment buildings have the ability to ask above $2.00 per square foot for rent, but the other middle-aged buildings, built in the early 2000's tend to ask below that. A prime example of this is 'Element 170.' This four-story 234-unit apartment building was built in 2014, and has an average unit size of 838 square feet. $1.76 has been the average rent per square foot, but the building has been able to maintain a vacancy of 4.9%, which is very commendable. In short, most apartment buildings in the Beaverton market that are approximately five years or older are asking between $1.50 to $1.80 per square foot. Due to the characteristics and age of our proposed apartment building, the market comparables with the $2.10 to $2.30 price per square foot are more aligned with the team's vision.

Name	Address	Year Built	# of Units	Avg. Unit Size (SF)	Avg. Rent per SF	
The Rise Central	12875 SW Crescent St.	2019	230	729 SF	$2.28	
Baseline 158	1050 SW 160th Ave.	2018	209	841 SF	$2.04	
Element 170	1563 SW 172nd Terrace	2014	243	838 SF	$1.76	

Medical Office

The Beaverton area has also successfully progressed in the medical office market. This city is known for both its large hospitals and smaller medical office centers. Kaiser Permante and Providence are two of the most substantial hospitals in the area. With the growth of medical office buildings in this market, not only has demand increased, but rental rates have as well. Therefore, our two-story medical office building has a proposed asking rental rate of $32.00 per square foot.

In addition to these hospitals, Beaverton has become a mainstay for medical office buildings. For instance, 'Barnes Road Professional Campus' features four medical office buildings, three stories, totaling roughly 110,000 square feet. Tenants range from Orthopedic Specialists to Gastroenterology, from Vascular Specialists to Child Development Care Centers. As it was built in 2009 the average office space on this campus is nearly 20,000 square feet, however, the average price per square foot is the highest the Beaverton area has seen, running about $36.00 per square foot. Since it is a campus, and not a typical medical office building layout, the result is a higher price per square foot. In terms of rental rate, 'Peterkort Centre III', has an asking price per square foot of about $33.00. Built in 2004, this four-story medical office building is approximately 78,000 square feet. All in all, both of these medical office buildings have maintained roughly 95% occupancy over the last ten years.

Name	Address	Year Built	Building Size (SF)	Avg. Rent Per SF	
Barnes Road Professional Campus	11750 SW Barnes Rd.	2009	20,700	$36.00 NNN	
Peterkort Centre III	9701 SW Barnes Rd.	2004	77,854 SF	$33.00 NNN	
Beaverton Medical Center	3925 SW 153rd Dr.	2006	13,099	$26.00 - $32.00 NNN	

UNIT MIX STUDY

The development team conducted a wider market study to ascertain the unit mix and average pricing of the surrounding apartment communities. The unit mix study shows that the development teams' property is falling closely in line with the markets mix. The one-bedroom percentage is slightly higher at the Biggi Commons due to a perceived oversupply and unmarketability of the studio style.

Beds	Baths	Avg SF	# Units	Mix %	Units Available - Units	Units Available - Percent	Avg Asking Rent/Unit	Avg Asking Rent/SF	Avg Effective Rent/Unit	Avg Effective Rent/SF	Concessions - %
Average											
All Studios		525.6667	13	6%	1	4%	$1,364.00	$ 2.61	$1,294.00	$ 2.46	5%
All 1 Beds		507.5	94	42%	7	6%	$1,109.25	$ 1.64	$1,050.50	$ 1.56	4%
All 2 Beds		995	49	22%	5	14%	$1,907.33	$ 1.90	$1,803.00	$ 1.81	5%
All 3 Beds		1,038	120	16%	0	0%	$1,588.00	$ 1.53	$1,578.00	$ 1.52	1%

AFFORDABLE UNITS

The development team reached out to Patrick McLaughlin, the Senior Development Project Manager of Housing and Transit Oriented Development (TOD) at Metro, to see if the project would qualify for TOD Funding. If the project includes 10% of the total number of our units (14), at 60% AMI, then Biggi Commons would be eligible for $500,000 from Metro. This would help subsidize the rents of the units. We believe this would be feasible on the project as it would integrate communities for a more diverse tenant population. The benefit for the households living in the subsidized units would be immeasurable. The development team does note keeping in mind that the owner would need to hold those units rents lower, and since historically turn costs are higher on such units, also increase budgeted operating costs. The inclusion of affordable housing units may keep vacancy rates lower, especially for the studio units. Since these could be oversaturated in the market, further study is warranted before proceeding to plan for these.

COVID-19 REALTED ISSUES

The development team acknowledges that we are living in unprecedented times. Due to this the team has sought to ensure the proposed project would be the least risk-heavy of the options examined. We believe that medical offices will see an upsurge, especially offices which can be outfitted with new tenant buildouts and configurations the market may deem necessary, and that the need for housing may rise because of decreased home ownership due to difficult financial times for many wage-earners and single-earner households.

The project is positioned to offer the outdoor amenities and thoughtful considerations that are playing out in the marketplace today due to COVID-19.

TENANT PROFILE

Apartment

1. Health forward amenities
2. Aesthetically pleasing sustainable features and urban design
3. Live, work, play atmosphere
4. High level of accessibility and connectivity

Tenant

Occupation: Professionals
Hobbies: lifestyle, cooking, entertainment, yoga, walkability, art, transit-oriented travels, traveling, zooming meeting spaces, good public-school district, business centers, and sports.

Occupation: IT/Tech workers
Hobbies: Working from home, coworking, entertainment, work live lifestyle proximity to office, startup, and entrepreneurship.

Occupation: Semi/retired
Hobbies: Walkability, transit-oriented travels, proximity to health-care, lifestyle, green space living, farmers markets, home delivery services, entertainment, and sports.

Medical

1. Space requirement
2. Prospect future expansion
3. Configuration of available space
4. Exclusive use and interior privacy space suitability
5. Special service requirements
6. Financial stability and long-term profitability
7. ADA compliance

Tenant

The two-story 30,000 SF is suitable for single or multiple tenants in the medical field.

- First Floor
· Dental Office
· Pharmacy Retail Business
· Eye Clinic
This floor will be suitable for tenants who require exclusive and easy access to ground floor amenities.

- Second Floor
· Medical center
· Open medical lab and diagnostic center

Biggi Commons will target middle class and educated working professionals. In line with Beaverton's vision of making this area the hub of sustainable, healthy living, and work/live lifestyle. This market's income and demographics data support a high-end apartment building with larger unit sizes, 24hr community amenities, and walking trails. The attraction will be to dual-income couples with extra income, professionals working from home who need extra space for office, and high earning single people who want an urban lifestyle and short commute to work.

The medical office will seek to attract tenants with a trusted business reputation, a compatible mix of tenants to enhance the building's brand. The property goal is to make tenants successful in their business.

Ground Floor Retail

This 7,500 SF space can serve a diversity of tenants, such as a commercial kitchen, daycare, coffee shop, and yoga studios. The goal is to activate this ground floor with multiple retail tenants that feed into a fresh produce framer's market and food court lifestyle.

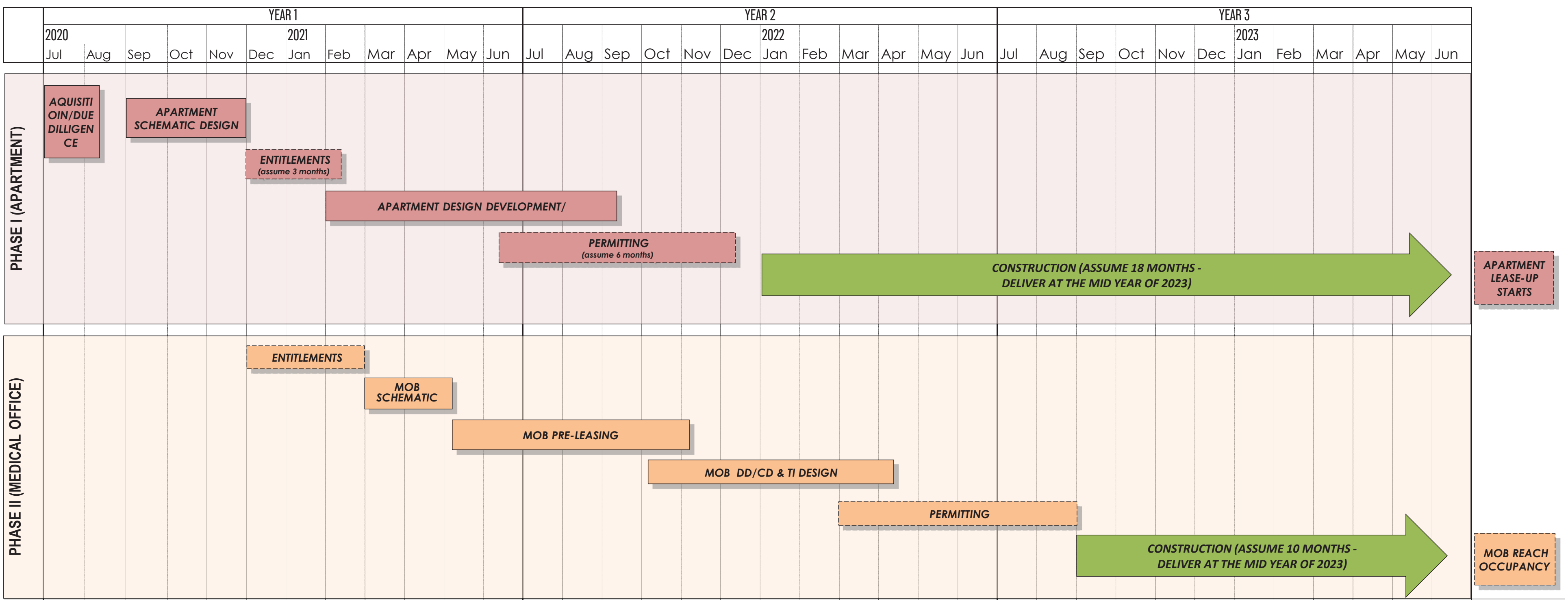
DEVELOPMENT TIMELINE

The Medical Office will require a longer period to lease and absorb. To mitigate the risk, the development team chose to separate the project into two phases. For Phase I, the team forecasts a total due diligence, design, entitlement and permitting of 18 months, and an additional 18 months for apartment construction. Leasing starts at mid-year of 2023 and the development team assumes 12 months for lease-up and stabilized operation. Initial due diligence reports include a geotechnical report, environmental report, title report, traffic study, and approved zoning and use analyses.

These reports indicate the site is suitable for development as planned. Once the civil design and architectural schematic design is finished, the team will request a pre-app meeting with the City of Beaverton, and then schedule the Type 3 design review. The proposed entitlements process will take three to four months.

For Phase II, the development team will start on the Medical office entitlement with the apartment building entitlement. However, to mitigate the risk, the team will not do the design development (DD) and construction documentation (CD) until the team finds medical tenants during the preleasing period. The team anticipates a total needed for pre-leasing, design, entitlement and permitting of 21 months. The six-month preleasing period can hopefully secure a preleasing agreement, and once the team has a commitment from tenants, they will continue the design with build-to-suit, and pursue permitting.

The tilt-up construction and tenant improvements will take 10 months to finish. The tenants will start to move in as soon as construction is finished at mid-year 2023. Construction on both Apartment building and Medical Office building are expected to finish around the same time. After the apartment building is stabilized in Year 5, the team anticipates an average occupancy of 95% for the year. The team will then hold the project for at least 10 years before reversion. The decision to exit will also depend on the market conditions at the time of sale.



CONSTRUCTION METHODS

TYPE OF CONSTRUCTION

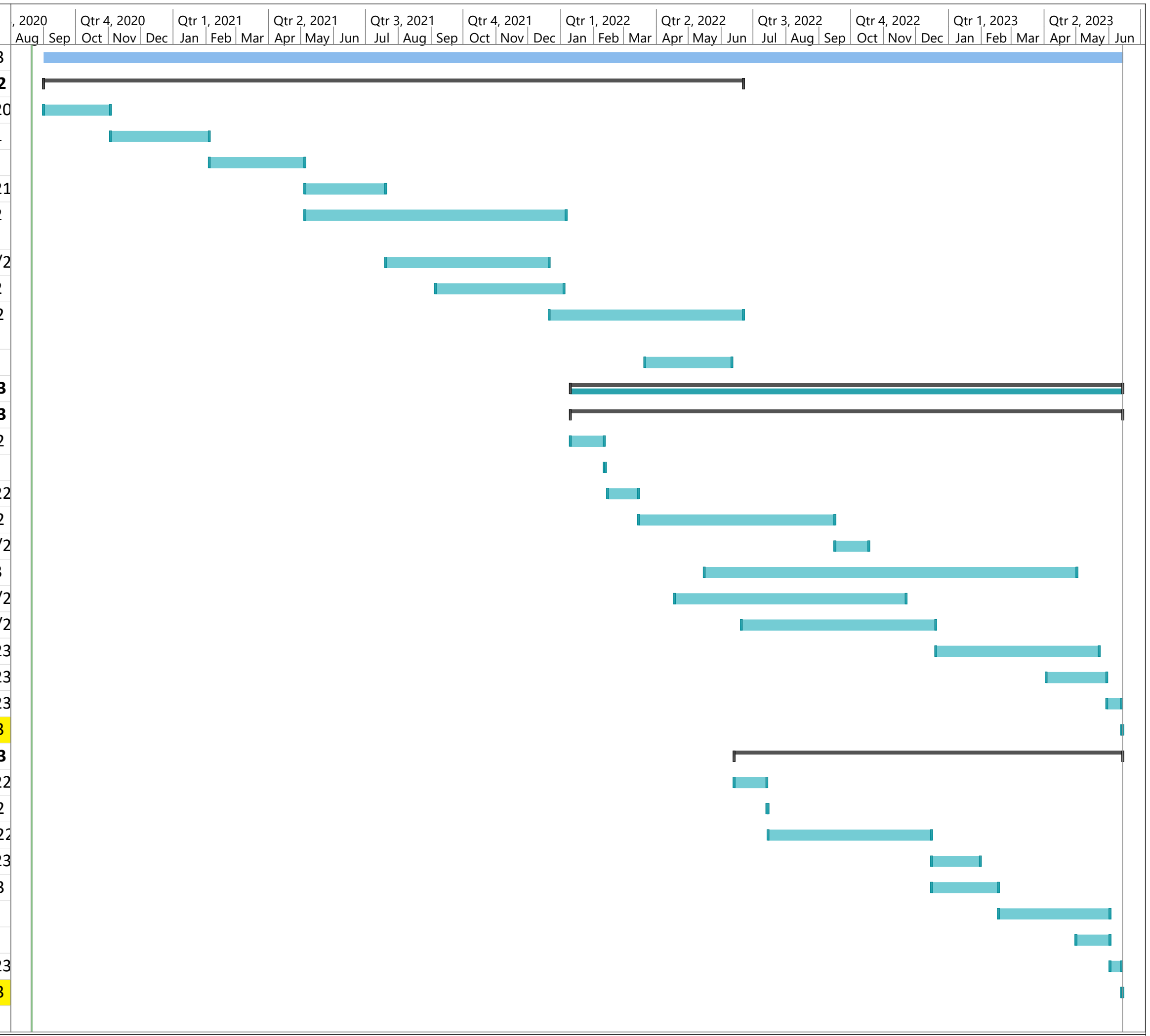
The development will consist of two different types of projects that will provide synergy within the site. The two construction projects will be a two-story concrete tilt-up medical office building, and a six-story multi-family residential apartment building.

The Phase I Apartment building will use the most cost-efficient five-over-one construction, which is normally constructed with five wood frame stories above one concrete podium. The concrete podium is a Type I-A fire resistive non-combustible construction, which will house retail, residential lobby and parking. The five-story wood frame is a Type III-B ‘ordinary’ construction with automatic sprinkler system throughout the building.

The Phase II Medical Office building will be the most cost-efficient two-story tilt-up construction. It will be a Type III-B construction with automatic sprinkler system throughout the building.

CONSTRUCTION SCHEDULE DETAIL

ID	Task Name	Duration	Start	Finish
1	**Biggi Commons Development Schedule**	726 days	Tue 9/1/20	Tue 6/13/23
2	**Site Acquisition, Entitlements, & Building Design**	**471 days**	**Tue 9/1/20**	**Tue 6/21/22**
3	Land Acquisition & Due Diligence	45 days	Tue 9/1/20	Mon 11/2/20
4	Apartment Building Schematic Design	67 days	Tue 11/3/20	Wed 2/3/21
5	Apartment & Medical Office Entitlements	64 days	Thu 2/4/21	Tue 5/4/21
6	Medical Office Building Schematic Design	54 days	Wed 5/5/21	Mon 7/19/21
7	Apartment Building Design Development & Construction Drawings	176 days	Wed 5/5/21	Wed 1/5/22
8	Medical Office Building Pre-Leasing	110 days	Tue 7/20/21	Mon 12/20/2
9	Apartment Building Permiting & Design Review	87 days	Sun 9/5/21	Mon 1/3/22
10	Medical Office Design Development & Construction Drawings	131 days	Tue 12/21/21	Tue 6/21/22
11	Medical Office Building Permitting & Design Review	60 days	Mon 3/21/22	Fri 6/10/22
12	**Construction**	**372 days?**	**Mon 1/10/22**	**Tue 6/13/23**
13	**Apartment Building**	**372 days**	**Mon 1/10/22**	**Tue 6/13/23**
14	Building Excavation & Foundations	24 days	Mon 1/10/22	Thu 2/10/22
15	Place Slab on Grade	1 day	Fri 2/11/22	Fri 2/11/22
16	Form and Place Pt Deck	21 days	Mon 2/14/22	Mon 3/14/22
17	Building Structural Framing (Levels 2-6)	133 days	Tue 3/15/22	Thu 9/15/22
18	Building Dry-In	22 days	Fri 9/16/22	Mon 10/17/2
19	Building Exterior Façade, Patios & Outdoor Space	251 days	Mon 5/16/22	Mon 5/1/23
20	MEP Rough-In Completion	156 days	Mon 4/18/22	Mon 11/21/2
21	Hang Drywall, Tape, & Finish	131 days	Mon 6/20/22	Mon 12/19/2
22	Interior Finishes	110 days	Tue 12/20/22	Mon 5/22/23
23	Site Finishes	41 days	Mon 4/3/23	Mon 5/29/23
24	Punch Walk	10 days	Tue 5/30/23	Mon 6/12/23
25	Substantial Completion	1 day	Tue 6/13/23	Tue 6/13/23
26	**Medical Office Building**	**262 days**	**Mon 6/13/22**	**Tue 6/13/23**
27	Building Excavation & Foundations	23 days	Mon 6/13/22	Wed 7/13/22
28	Place Slab on Grade	1 day	Thu 7/14/22	Thu 7/14/22
29	Form and Place Tilt Panels	110 days	Fri 7/15/22	Thu 12/15/22
30	Building Dry-In	32 days	Fri 12/16/22	Mon 1/30/23
31	Core Build-Out	45 days	Fri 12/16/22	Thu 2/16/23
32	Interior TI Build-Out	75 days	Fri 2/17/23	Thu 6/1/23
33	Site Finishes	24 days	Mon 5/1/23	Thu 6/1/23
34	Punch Walk	7 days	Fri 6/2/23	Mon 6/12/23
35	Substantial Completion	1 day	Tue 6/13/23	Tue 6/13/23
36				



Project: Biggi Commons - Deve
Date: Fri 8/21/20

Task	Project Summary	Manual Task	Start-only	Deadline
Split	Inactive Task	Duration-only	Finish-only	Progress
Milestone	Inactive Milestone	Manual Summary Rollup	External Tasks	Manual Progress
Summary	Inactive Summary	Manual Summary	External Milestone	

FINANCIAL PLAN

YIELD STUDY

The project will provide a total of 198,347 square feet of new development, including 168,526 square feet multi-family housing, 7,000 square feet retail and around 30,000 square feet medical office space.

For the 141 residential units, the development team programmed a higher number of one-bedroom, accounting for 60% of the total units in the project, the project also has 20% two-bedroom, 15% studio and 5% three-bedroom. The anticipated average rent of studio units on Year 5 is $1,205, $1,648 for one-bedroom, $2,355 for two-bedroom, and 2,942 for three-bedroom.

UNIT SUMMARY & RENT				
Unit Type	Unit Count	%	Average size (sf)	$/Unit
Studio	***21***	***14.9%***	***548***	***$ 1,205***
1 Bed	***84***	***59.6%***	***749***	***$ 1,648***
2 Bed	***29***	***20.6%***	***1070***	***$ 2,355***
3 Bed	***7***	***4.96%***	***1337***	***$ 2,942***
Total	***141***	***100%***		
Avg SF/Unit	***831***			

3860 SW LOMBARD AVE, BEAVERTON, OR

	SITEWORK & PARKING & USE					BUILDING USES																
	Site GSF	Landscape GSF	Parking GSF	Parking Stalls	Use	Flr-Flr Hgt '	Bldg Total GSF	Housing GSF	Housing RSF	Housing Effic.	Housing Units	STUDIO	1 BED	2 BED	3 BED	Amenity GSF	Office GSF	Office RSF	Office Effic.	Retail RSF	Bikes GSF	Support GSF
7TH FLOOR					Roof/Mech	10																
6TH FLOOR					Housing	11	22,906	22,906	19,928	87.0%	24	1	17	5	1	0						2,978
5TH FLOOR					Housing/Amenity	10	24,374	24,374	19,751	81.0%	24	1	17	5	1	1,587						3,036
4TH FLOOR					Housing	11	29,030	29,030	25,330	87.3%	32	4	20	7	1	0					286	3,414
3RD FLOOR					Housing	10	29,418	29,418	25,718	87.4%	31	6	17	6	2	0					286	3,414
2ND FLOOR					Housing/Amenity/ Medical Office	10/14	44,191	29,418	24,307	82.6%	30	9	13	6	2	1,445	14,773	14,186	96.0%		286	3,380
GROUND FLOOR	148,975	15,508	20,540	113	Lobby/Retail/Medical Office/ Parking/Service	16/16	48,428	33,380	2,099								15,048	13,950	92.7%	7,027	1,454	2,260
TOTALS			**20,540**	**113**		**68/30**	**198,347**	**168,526**	**117,133**		**141**	**21**	**84**	**29**	**7**	**3,032**	**29,821**	**28,136**		**7,027**	**2,312**	**18,482**

DEVELOPMENT COSTS

Assumed costs per square foot for Phase I are based on five-over-one construction. Total development cost is approximately $46 million, the Return on Cost for Phase I is 5.76%. Phase II development includes $140/sf core-and-shell construction and $100/sf TI allowance as the development team plans to build-to-suit for the tenants. A total development cost of $10.2 million on Phase II tilt-up construction yields a Return on Cost of 8.09%. The higher return on the medical office benefits from its triple net lease. The total development costs will be $56,256,570, with the total Return on Cost at 6.23%.

PHASE I COST					
Acquisition Unit Costs		**Acquisition Costs**		**Cost**	**% of Total**
Land Purchase Price	$36.92 /sf	Land Purchase Price		$5,500,000	9.78%
Acquisition / Due Diligence	1.50%	Acquisition / Due Diligence Costs		$82,500	0.15%
Total Acquition Costs		Total Acquisition Costs		$5,582,500	9.92%
Hard Unit Costs		**Hard Costs**			
Apartment Construciton	$185.00 /sf	Apartment Construciton		$26,077,415	46.35%
Retail TI & Construction	$200.00 /sf	Retail TI & Construction		$1,405,400	2.50%
Mechanical Parking Construction	$30,000 /stall	Mechanical Parking Construction		$3,390,000	6.02%
Hard Cost Contingency	4.50%	Hard Cost Contingency		$1,389,277	2.47%
Total Hard Costs	$191.44 /sf	Total Hard Costs		$32,262,092	57.34%
Soft Costs		**Soft Costs**			
Soft Costs	20.00% (hard cost)	Soft Costs		$6,174,563	10.97%
Soft Cost Contingency	3.00%	Soft Cost Contingency		$185,237	0.33%
Development Fee	5.00% (soft+hard)	Development Fee		$1,852,369	3.29%
Total Soft Costs	$48.73 /sf	Total Soft Costs		$8,212,169	14.60%
PHASE I Development Costs	**$273.29 /sf**	**PHASE I Development Costs**		**$46,056,760**	**100%**
Return on Cost				**5.76%**	

TOTAL DEVELOPMENT COSTS: $56,256,570

TOTAL RETURN ON COST: 6.23%

PHASE II COST				
Hard Unit Costs		**Hard Costs**		
Medical Office C&S Construction	$140.00 /sf	Medical Office C&S Construction	$4,174,940	7.42%
Medical Office TI Reserve	$100.00 /sf	Medical Office TI Reserve	$2,982,100	5.30%
Surface Parking Construction	$5,000 /stall	Surface Parking Construction	$630,000	1.12%
Hard Cost Contingency	4.50%	Hard Cost Contingency	$350,417	0.62%
Total Hard Costs	$272.88 /sf	Total Hard Costs	$8,137,457	14.46%
Soft Costs		**Soft Costs**		
Soft Costs	20.00% (hard cost)	Soft Costs	$1,557,408	2.77%
Soft Cost Contingency	3.00%	Soft Cost Contingency	$46,722	0.08%
Development Fee	5.00% (soft+hard)	Development Fee	$467,222	0.83%
Total Soft Costs		Total Soft Costs	$2,071,353	3.68%
PHASE II Development Costs	**$342.34 /sf**	**PHASE II Development Costs**	**$10,208,809**	**100%**
Return on Cost			**8.09%**	

DEAL STRUCTURE DETAILS

As was briefly discussed in the development proposal, the project is based on a three-year development plan, which requires a strategic deal structure. With the six-story multifamily building to be constructed in Phase I, the priority is to secure the construction loan and equity for that Phase first. The financing breakdown of this phase includes a construction loan that will cover 65% total development cost, and the remaining 35% will be covered through equity investments. The total project cost for the Phase I Apartment building is approximately $46,056,760, including $16,119,866 of equity, thus a total construction loan of $29,936,894. In conjunction with acquiring the land that costs $5,500,000, the team will work closely with the Biggi Family, as they will be making a large equity investment of $2,000,000 in the project. Unfortunately, that investment won't cover all of the required equity, private investment groups must be enlisted in order to fund the remaining $8,619,866 equity needed.

PHASE I Financing Sources - Construction Loan			
Equity Sources		Amount	% of Total
Land	$	5,500,000	12%
Biggi Funds	$	2,000,000	4%
Private Investor Group	$	8,619,866	19%
Total Equity	$	16,119,866	35%
Financing Sources			
Construction Loan	$	29,936,894	65%
Total	$	46,056,760	100%

LTC	65%
Interest Rate	4.50%
Term - months	18
Interest Reserve	
Year 2 (half year)	$679,927
Year 3 (full year)	$1,375,296

Phase I Financing Sources - Perm Loan		
LTV		70%
Stabilized Year Value (Year 5)	$	53,026,595
Loan Amount	$	37,118,616
Interest Rate		4.00%
Term - Years		30
Amortization Periods		360
PMT (monthly)	$	(177,210)

Phase II of this project will include the construction of the two-story Medical Office building. The team plans to secure a construction loan that will cover 65% of the total development cost, leaving 35% to be covered by equity investments. As this building is much smaller than the apartment building in terms of square footage, the total project cost is expected to be $10,208,809. The development team will appeal to several private investment groups to meet the equity requirement of $3,573,083. The remaining project costs of $6,635,726 will be covered by a construction loan. This construction loan will be entirely separate from the previous apartment construction loan.

Refinancing to a perm loan will be on Year 4 and Year 5 when Phase II Medical Office reaches occupancy and Phase I Apartment building reaches stabilization. The perm loan is based on 70% LTV, with 4% interest rate and 30-year amortization. The loan amount will pay off the construction loan principal and the rest will be distributed to the private equity investors.

PHASE II Financing Sources - Construction Loan			
Equity Sources		Amount	% of Total
Private Investor Group	$	3,573,083	
Total Equity	$	3,573,083	35%
Financing Sources			
Construction Loan	$	6,635,726	65%
Total	$	10,208,809	100%

LTC	65%
Interest Rate	4.50%
Term - months	10
Interest Reserve	
Year 3 (10 months)	$253,081

Phase II Financing Sources - Perm Loan		
LTV		70%
Stabilized Year Value (Year 4)	$	15,024,586
Loan Amount	$	10,517,210
Interest Rate		4.00%
Term - Years		30
Amortization Periods		360
PMT (monthly)	$	(50,211)

INCOME AND EXPENSES

Apartment Income

Apartments income will be derived from rental rates, pet deposits, utility reimbursement and garage rent. The table below illustrates the rental rates for the unit mix in rental rate, per sf, as well as pet deposit per unit and mechanical parking per space. The Biggi Commons Apartment Community will have two retail spaces on the ground floor. The following graph shows the rent roll assumptions for those retail spaces. The assumptions about the food carts were derived from a consultation with the Biggi's, who successfully operated a food cart lot in Beaverton; the rental assumptions for these are also shown below.

Rents budgeted include a 3% annual rate increase across all tenants.

UNIT SUMMARY & RENT				
Unit Type	Unit Count	%	Average size (sf)	$/Unit
Studio	***21***	***14.9%***	***548***	***$ 1,205***
1 Bed	***84***	***59.6%***	***749***	***$ 1,648***
2 Bed	***29***	***20.6%***	***1070***	***$ 2,355***
3 Bed	***7***	***4.96%***	***1337***	***$ 2,942***
Total	***141***	***100%***		
Avg SF/Unit	***831***			

Operations	
Gross Potential Rents	$ 3,821,770
Vacancy & Credit Loss	$ 191,088
Effect Gross Income	$ 3,630,681
Operating Expenses	$ 922,951
CAPEX Reserve	$ 56,400
NOI Stabilized (year 5)	$ 2,651,330

Apartment Expenses

The development team is assuming a 5% Vacancy and Credit Loss. The housing operating expense per unit is $4,000 and the housing property tax per unit is $2,355 annually. The property tax increases 3% annually.

Expenses will include a 3% annual rate increase. The total operating expenses is 26.97% of effective gross income.

Assumptions (Phase I Apartment)			
Building Gross SF		198,347	
Residential Gross SF		168,526	
Residential Rentable SF		117,133	
Retail RSF		7,027	
Mechanical Parking spaces		113	
Income			
Housing Avg. Rent (per SF)	$	2.20	/mo
Pet Deposits (per unit)	$	20.00	/mo
Utility Reimbursement (per unit)	$	100.00	/mo
Retail Avg. Rent	$	20.00	NNN
Mech Parking Rent (per space)	$	120.00	/mo
Food Carts (8 total)	$	1,200.00	NNN/mo
Expenses			
Vacancy		5%	
Housing Opex (per unit)	$	4,000	
Housing Property Tax (per unit)	$	2,355	
Opex (% of EGI)		26.97%	
Cap Rate & Reserve			
Housing @ Exit		5.00%	
Selling Cost		2%	of selling price
Reserve (Apartment)		$400.00	/Unit/Year

INCOME AND EXPENSES

Medical Office Income

The development team is assuming the Medical Office's income will come entirely from its tenants. The medical office average rent per sf. is targeted at $32 triple net. The development team is assuming a growth rate of 3% annually for medical office triple net rents.

Medical Office Expenses

The team is assuming a Medical Office vacancy rate of 5%. The operating expense per square foot is $7.11, and the property taxes are $2.73/ sf. with 3% annually increase.

Expenses will include a 3% annual rate increase. Total operating expenses is 31.22% of effective gross income.

Assumptions (Phase II Medical Office)			
Building Gross SF		198,347	
Medical Office Gross SF		29,821	
Medical Office Rentable SF		28,136	
Income			
Medical Office Avg. Rent (per SF)	$	32.00	NNN
Expenses			
Vacancy		5%	
Medical Office Opex (per RSF)	$	7.11	
Medical Office Property Tax (per RSF)	$	2.73	
Opex (% of EGI)		31.22%	
Cap Rate & Reserve			
Medical Office @ Exit		5.50%	
Selling Cost		2%	of selling price
Reserve (Medical Office)		$0.50	/sf/year

Operations		
Gross Potential Rents	$	1,181,786
Vacancy & Credit Loss	$	59,089
Effect Gross Income	$	1,122,696
Operating Expenses	$	281,434
CAPEX Reserve	$	14,911
NOI Stabilized (year 4)	$	826,352

INVESTORS PROFIT SHARES

It is important to show the profit sharing between the Biggi Family and other private equity investors. The private investors stay invested until the end of the holding period while also receiving the funds from perm loan refinancing at Year 4 & 5. Operating cash flows and sale proceeds are split based on the equity investors and Biggi Family's equity contributions. The before-tax IRR to private investors is 15.78%. The before-tax IRR to Biggi Family is 10.09%. However, since the land is owned by Biggi, the IRR to Biggi Family will be 23.05% if land is not accounted as the initial investment.

Equity Captal Contribution		%
Biggi Land	$ 5,500,000	
Biggi Funds	$ 2,000,000	
Total Biggi Family	$ 7,500,000	38%
Privat Investor Group	$ 12,192,949	62%
Total Equity	$ 19,692,949	100%

Assumption: No preferred return, no Target IRR, CFs are shared based on equity contribution

Cash Flows to Private Investors	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Initial Investment	($12,192,949)														
CFs from operations and equity reversion (62%)					$697,822	$479,145	$545,535	$613,916	$684,349	$756,895	$831,618	$908,582	$987,855	$1,069,506	$34,246,484
Return of Capital					$3,881,484	$7,181,722									
Total Cash Flows	($12,192,949)	$ -	$ -	$ -	$4,579,306	$7,660,867	$545,535	$613,916	$684,349	$756,895	$831,618	$908,582	$987,855	$1,069,506	$34,246,484
Before Tax IRR	15.78%														

Cash Flow to Biggi Family	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Initial Investment	($7,500,000)														
CFs from operations and equity reversion (38%)					$429,237	$294,726	$335,564	$377,626	$420,950	$465,573	$511,536	$558,877	$607,639	$657,863	$21,065,341
Total Cash Flows	($7,500,000)	$ -	$ -	$ -	$429,237	$294,726	$335,564	$377,626	$420,950	$465,573	$511,536	$558,877	$607,639	$657,863	$21,065,341
Before Tax IRR	10.09%														
Total Cash Flows without Land as intitial investment	($2,000,000)	$ -	$ -	$ -	$ 429,237	$ 294,726	$ 335,564	$ 377,626	$ 420,950	$ 465,573	$ 511,536	$ 558,877	$ 607,639	$ 657,863	$ 21,065,341
Before Tax IRR (without Land as intitial investmen	23.05%														

KEY RETURN METRICS

	Phase I	Phase II	Total
Return on Cost	5.76%	8.09%	6.23%
Net Present Value	$8,272,255	$5,710,943	$13,983,198
Leveraged IRR	12.44%	21.45%	14.11%
Profit Share			
IRR to Private Investors			15.78%
IRR to Biggi Family			23.05%

The Phase I Apartment building has a lower IRR while Phase II Medical Office Building has a significant higher IRR, the reason behind it is the development team carried the land cost and land acquisition in Phase I, which drives the IRR down. The total project leveraged IRR is 14.11%.

ALTERNATIVE SCENARIOS

This assessment helps to determine if the expected values are worth the risk of the investment portfolio relating to the occurrence of the given assumptions. The returns and cost of these three “what if” scenarios below support the current proposed development scheme as the best option.

When it comes to the constructions cost and return on cost, Scenario 3 will outperform Scenario 1 and 2, delivering a 5.41% return on cost compared to 4.25% and 4.92% for Scenario 1 and 2 respectively. Also, Scenario 1 and 2 cost more to develop compared to Scenario 3 and deliver negative profit, assuming exit Cap Rate to be 5% for Apartment, 6% for Senior Housing and 5.5% for Medical Office. In the case of Scenario 1, the parking structure will drag down the return on cost. Scenarios 2 is too expensive to develop and senior housing takes a longer time to stabilize. Although scenario 3 delivers both positive return on cost and profit, both numbers are lower than the current proposed development.

BIGGI COMMONS

NOI (stabilized)	$3,502,920
Total development cost	$56,265,570
R-O-C	6.23%
Developer profit	$11,785,611

Scenario #1 All medical office with a parking structure	Return & Cost	**Scenario #2 Medical Office and Senior Housing**	Return & Cost	**Scenario #3 All Apartment (second best)**	Return & Cost
NOI (stabilized)	$2,971,600	NOI (stabilized)	$4,306,904	NOI (stabilized)	$2,734,317
Total development cost	$69,883,210	Total development cost	$87,568,600	Total development cost	$50,584,584
R-O-C	4.25%	R-O-C	4.92%	R-O-C	5.41%
Developer profit	($15,854,119)	Developer profit	($9,436,995)	Developer profit	$4,101,759

CONCLUSION

The development team's concept has been thoroughly examined, stress tested, and reviewed by multiple outside experts. This project creates shared value for the development team, the Biggi Family, and the City of Beaverton.

The team's financial proforma provides realistic expectations of the soundest choice of investment, design, construction and financing scheme of the four we fashioned for the site.

The Biggi Commons rich amenity package serves residents' desires, and integrates human convenience and connection, sustainability, and healthy living into a financially successful project. The medical office is valuable contribution o the Beaverton healthcare market, and can serve evolving needs in a market where an availability gap will always persist.

The tumultuous aftermath of Covid-19's impact on the residential rental and medical office markets is at the moment far from entirely clear, but this project will fit into the appropriate range of price-and-value of new and preexisting projects where we have placed it.

This project is future-looking and can serve as an engaging opening statement to those visiting Beaverton through transit, while simultaneously attracting and retaining residents and medical clients who are accustomed to enjoying the most thoughtful suburban amenities.

DEVELOPMENT TEAM

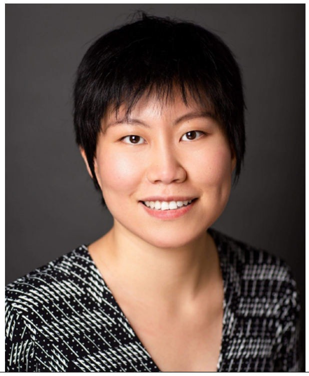
Adela Berrio is a recent transplant from Miami, Florida, to Portland to pursue her MRED to complement her career as a Commercial-Residential Real Estate broker and developer specialist. Adela acquired a master's in international real estate and finance (MSIRE) from Florida International University. Adela has worked in the Real Estate field for more than 17 years.

Dexter Parry is currently finishing up his masters degree in commercial real estate development at Portland State University and is scheduled to be completed with the program September of 2020. Dexter is currently working for a commercial general contractor called Bremik Construction as a project manager and has completed a diverse portfolio of projects including commercial mixed-use, multi-family, office, and educational buildings.

Hannah Radziewicz will be graduating from the Masters in Real Estate Development Program Summer of 2020. Her background is in Urban Planning. She currently works as an Assistant Property Manager and Research Assistant. She is well equipped to enter into the commercial real estate industry with her educational and professional experience.

Thomas Aquinas is a residential real estate investor and a volunteer public official with the City of Portland. Seven years of experience working in the federal government (USPS) and has a substantial interest in asset management, commercial real estate underwriting and corporate real estate as I graduate from the masters in real estate development program.

Victoria Kirkland is an experienced Project Manager, as she currently works for Kirkland Development, a commercial real estate development company. She is an MRED student at Portland State University, and will also be pursuing her Masters in Finance Fall of 2020. Victoria plans to further excel within Kirkland Development and eventually become a developer, contributing further to the real estate development community.



Xiaofei Ren is an experienced Registered Architect with a demonstrated history of working in the architecture & planning industry. Currently pursuing MRED degree at Portland State University while continuing her full-time role at GBD Architects. The expansion of her education with a second masters degree, and eight years of professional practice as an architect will equip her to grow thoughtfully in the real estate field.

ACKNOWLEDGEMENT

THANK YOU

We offer our gratitude to Bruce Wood, Jerry Johnson, and Gerard Mildner for their guidance.

We would also like to thank the following professionals who have shared their expertise and resources:

Ian Biggi	Senior Associate Broker (Landowner)
Rob Zoeller	Planner, City of Beaverton
Adam Matar	Specialist in Medical office
Kali Bader	Specialist in senior housing
Mike Holzgang	Executive Vice President, Colliers
Brian Norton	Vice President, CBRE, Inc
Julia Freybote	Assistant Professor of Finance and Real Estate, Portland State University
Bob Trapa	Senior Vice President, Bremik Construction
Patrick McLaughlin	Senior Development Project Manager, Housing & Transit-Oriented Development

APPENDIX

TOTAL DEVELOPMENT COSTS (PHASE I + PHASE II)

Acquisition Unit Costs			**Acquisition Costs**	**Cost**	**% of Total**
Land Purchase Price	$36.92	/sf	Land Purchase Price	$5,500,000	9.78%
Acquisition / Due Diligence	1.50%		Acquisition / Due Diligence Costs	$82,500	0.15%
Total Acquition Costs			Total Acquition Costs	$5,582,500	9.92%
Hard Unit Costs			**Hard Costs**		
Apartment Construciton	$185.00	/sf	Apartment Construciton	$26,077,415	46.35%
Medical Office C&S Construction	$140.00	/sf	Medical Office C&S Construction	$4,174,940	7.42%
Medical Office TI Reserve	$100.00	/sf	Medical Office TI Reserve	$2,982,100	5.30%
Retail TI & Construction	$200.00	/sf	Retail TI & Construction	$1,405,400	2.50%
Surface Parking Construction	$5,000	/stall	Surface Parking Construction	$630,000	1.12%
Mechanical Parking Construction	$30,000	/stall	Mechanical Parking Construction	$3,390,000	6.02%
Hard Cost Contingency	4.50%		Hard Cost Contingency	$1,739,693	3.09%
Total Hard Costs	$203.68	/sf	Total Hard Costs	$40,399,548	71.80%
Soft Costs			**Soft Costs**		
Soft Costs	20.00%	(hard cost)	Soft Costs	$7,731,971	13.74%
Soft Cost Contingency	3.00%		Soft Cost Contingency	$231,959	0.41%
Development Fee	5.00%	(soft+hard)	Development Fee	$2,319,591	4.12%
Total Soft Costs	$51.85	/sf	Total Soft Costs	$10,283,521	18.28%
Total Development Costs	**$283.67**	**/sf**	**Total Development Costs**	**$56,265,570**	**100%**
Return on Cost				**6.23%**	

Total Soft Costs Detail			
Design services	6%	of hard cost	$2,319,591
Architcture	55%		$1,275,775
Structure	9%		$208,763
MEP	14%		$324,743
Civil	5%		$115,980
Landscape	5%		$115,980
Other consultants	12%		$278,351
Permitting Fees & SDC	5.4%	of hard cost	$2,092,700
Taxed and Insurance	0.5%	of hard cost	$193,299
Legal	0.5%	of hard cost	$193,299
Construction Loan Interest			$2,308,303
Loan Fees	0.5%	of loan amount	$238,179
Leasing Commissions	1.0%	of hard cost	$386,599
Subtotal			$7,731,971

Assumptions (Phase I Apartment)		
Building Gross SF	198,347	
Residential Gross SF	168,526	
Residential Rentable SF	117,133	
Retail RSF	7,027	
Mechanical Parking spaces	113	
Income		
Housing Avg. Rent (per SF)	$ 2.20	/mo
Pet Deposits (per unit)	$ 20.00	/mo
Utility Reinbursement (per unit)	$ 100.00	/mo
Retail Avg. Rent	$ 20.00	NNN
Mech Parking Rent (per space)	$ 120.00	/mo
Food Carts (8 total)	$ 1,200.00	NNN/mo
Expenses		
Vacancy	5%	
Housing Opex (per unit)	$ 4,000	
Housing Property Tax (per unit)	$ 2,355	
Opex (% of EGI)	26.97%	
Cap Rate & Reserve		
Housing @ Exit	5.00%	
Selling Cost	2%	of selling price
Reserve (Apartment)	$400.00	/Unit/Year
Dev Costs		
Land Cost:	$5,500,000	
Hard Costs /SF	$191	
Soft Costs (% of HC)	25.45%	
Total Development Costs	$ 46,056,760	
Loan Fee (of loan amount)	0.50%	
Equity & Loan Details		
Construction Loan LTC	65%	
Construction Loan Amount	$ 29,936,894	
Construction Loan Interest Rate	4.50%	
Perm Loan LTV	70%	
Perm Loan Amount	$ 37,118,616	
Perm Loan Interest Rate	4.00%	
Perm Loan Amortzation Years	30	
Min DSCR	1.25	
Monthly PMT	($177,210)	
Yearly PMT	($2,126,519)	
Land (owned by Biggi Family)	$ 5,500,000	
Biggi Family Equity	$ 2,000,000	
Private Investors Equity	$ 8,619,866	
Required Return	8%	

Summary Cash Flow - Proforma (Phase I Apartment)

			Due Dilligence +APT Design	Permiting+ APT Construction	APT Construction	APT Leasing	APT Stabilized								Exit	
		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Gross Rental Income	Growth Rate		7/2020-7/2021	7/2021-7/2022	7/2022-7/2023	7/2023-7/2024	7/2024-7/2025	7/2025-7/2026	7/2026-7/2027	7/2027-7/2028	7/2028-7/2029	7/2029-7/2030	7/2030-7/2031	7/2031-7/2032	7/2032-7/2033	7/2033-7/2034	7/2034-7/2035
Housing	3%					$ 3,092,311	$ 3,185,081	$ 3,280,633	$ 3,379,052	$ 3,480,423	$ 3,584,836	$ 3,692,381	$ 3,803,153	$ 3,917,247	$ 4,034,765	$ 4,155,808	$ 4,280,482
Retail	3%					$ 140,540	$ 144,756	$ 149,099	$ 153,572	$ 158,179	$ 162,924	$ 167,812	$ 172,846	$ 178,032	$ 183,373	$ 188,874	$ 194,540
Mechanical Parking	3%					$ 162,720	$ 167,602	$ 172,630	$ 177,809	$ 183,143	$ 188,637	$ 194,296	$ 200,125	$ 206,129	$ 212,313	$ 218,682	$ 225,243
Other	3%					$ 203,040	$ 324,331	$ 334,061	$ 344,083	$ 354,405	$ 365,038	$ 375,989	$ 387,268	$ 398,886	$ 410,853	$ 423,179	$ 435,874
Vacancy & Credit Loss	5%					$ 1,799,306	$ 191,088	$ 196,821	$ 202,726	$ 208,808	$ 215,072	$ 221,524	$ 228,170	$ 235,015	$ 242,065	$ 249,327	$ 256,807
Effective Gross Income						$ 1,799,306	$ 3,630,681	$ 3,739,601	$ 3,851,790	$ 3,967,343	$ 4,086,364	$ 4,208,954	$ 4,335,223	$ 4,465,280	$ 4,599,238	$ 4,737,215	$ 4,879,332
Operating Expenses																	
Housing Opex	3%					$ 564,000	$ 580,920	$ 598,348	$ 616,298	$ 634,787	$ 653,831	$ 673,445	$ 693,649	$ 714,458	$ 735,892	$ 757,969	$ 780,708
Housing Property Tax	3%					$ 332,069	$ 342,031	$ 352,292	$ 362,861	$ 373,747	$ 384,959	$ 396,508	$ 408,403	$ 420,655	$ 433,275	$ 446,273	$ 459,661
Total Operating Expenses						$ 896,069	$ 922,951	$ 950,640	$ 979,159	$ 1,008,534	$ 1,038,790	$ 1,069,954	$ 1,102,052	$ 1,135,114	$ 1,169,167	$ 1,204,242	$ 1,240,369
CAPEX Reserve							$56,400	$56,400	$56,400	$56,400	$56,400	$56,400	$56,400	$56,400	$56,400	$56,400	$56,400
Net Operating Income			$ -	$ -	$ -	$ 903,236	$ 2,651,330	$ 2,732,562	$ 2,816,230	$ 2,902,409	$ 2,991,174	$ 3,082,601	$ 3,176,771	$ 3,273,766	$ 3,373,671	$ 3,476,573	$ 3,582,562
Annual Cash Flows																	
Net Operating Income			$ -	$ -	$ -	$ 903,236	$ 2,651,330	$ 2,732,562	$ 2,816,230	$ 2,902,409	$ 2,991,174	$ 3,082,601	$ 3,176,771	$ 3,273,766	$ 3,373,671	$ 3,476,573	
Initial Equity Investment (Phase I)			($5,582,500)	($5,268,683)	($4,365,447)	($903,236)											
Refinance Proceeds							$ 7,181,722										
Construction Loan Interest Payoff (Phase I)				($679,927)	($1,375,296)												
Debt Service & Loan Payoff (Perm Loan)							($2,126,519)	($2,126,519)	($2,126,519)	($2,126,519)	($2,126,519)	($2,126,519)	($2,126,519)	($2,126,519)	($2,126,519)	($31,370,035)	
DSCR							1.25	1.28	1.32	1.36	1.41	1.45	1.49	1.54	1.59		
Asset Value at Exit																70,218,222	
Leveraged Net Cash Flow			($5,582,500)	($5,948,610)	($5,740,742)	$0	$ 7,706,532	$606,042	$689,711	$775,890	$864,654	$956,081	$1,050,251	$1,147,247	$1,247,152	$ 42,324,760	
Total Cash Flow		($14,826,142)	$ -	$ -	$ -	$0	$7,706,532	$606,042	$689,711	$775,890	$864,654	$956,081	$1,050,251	$1,147,247	$1,247,152	$42,324,760	
Net Present Value			$8,272,255														
Leveraged IRR			12.44%														

Assumptions (Phase II Medical Office)		
Building Gross SF	198,347	
Medical Office Gross SF	29,821	
Medical Office Rentable SF	28,136	
Income		
Medical Office Avg. Rent (per SF)	$ 32.00	NNN
Expenses		
Vacancy	5%	
Medical Office Opex (per RSF)	$ 7.11	
Medical Office Property Tax (per RSF)	$ 2.73	
Opex (% of EGI)	31.22%	
Cap Rate & Reserve		
Medical Office @ Exit	5.50%	
Selling Cost	2%	of selling price
Reserve (Medical Office)	$0.50	/sf/year
Dev Costs		
Hard Costs /SF	$273	
Soft Costs (% of HC)	25.45%	
Total Development Costs	$ 10,208,809	
Loan Fee (of loan amount)	0.50%	
Equity & Loan Details		
Construction Loan LTC	65%	
Construction Loan Amount	$ 6,635,726	
Construction Loan Interest Rate	4.50%	
Perm Loan LTV	70%	
Perm Loan Amount	$ 10,517,210	
Perm Loan Interest Rate	4.00%	
Perm Loan Amortzation Years	30	
Min DSCR	1.25	
Monthly PMT	($50,211)	
Yearly PMT	($602,529)	
Private Investors Equity	$ 3,573,083	
Required Return	8%	

Summary Cash Flow - Proforma (Phase II Medical Office)

		MOB Design	Pre-leasing +Permiting	MOB Construction	MOB Occupancy									Exit	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Gross Rental Income	Growth Rate	7/2020-7/2021	7/2021-7/2022	7/2022-7/2023	7/2023-7/2024	7/2024-7/2025	7/2025-7/2026	7/2026-7/2027	7/2027-7/2028	7/2028-7/2029	7/2029-7/2030	7/2030-7/2031	7/2031-7/2032	7/2032-7/2033	7/2033-7/2034	7/2034-7/2035
Medical Office	3%				$ 900,352	$ 927,363	$ 955,183	$ 983,839	$ 1,013,354	$ 1,043,755	$ 1,075,067	$ 1,107,319	$ 1,140,539	$ 1,174,755	$ 1,209,998	$ 1,246,298
Opex Recoveries	3%				$ 281,434	$ 289,877	$ 298,573	$ 307,530	$ 316,756	$ 326,259	$ 336,046	$ 346,128	$ 356,512	$ 367,207	$ 378,223	$ 389,570
Vacancy & Credit Loss	5%				$ 59,089	$ 60,862	$ 62,688	$ 64,568	$ 66,506	$ 68,501	$ 70,556	$ 72,672	$ 74,853	$ 77,098	$ 79,411	$ 81,793
Effective Gross Income					$ 1,122,696	$ 1,156,377	$ 1,191,069	$ 1,226,801	$ 1,263,605	$ 1,301,513	$ 1,340,558	$ 1,380,775	$ 1,422,198	$ 1,464,864	$ 1,508,810	$ 1,554,074
Operating Expenses																
Medical Office Opex	3%				$ 200,047	$ 206,048	$ 212,230	$ 218,597	$ 225,155	$ 231,909	$ 238,867	$ 246,033	$ 253,414	$ 261,016	$ 268,846	$ 276,912
Medical Office Property Tax	3%				$ 81,387	$ 83,828	$ 86,343	$ 88,933	$ 91,601	$ 94,349	$ 97,180	$ 100,095	$ 103,098	$ 106,191	$ 109,377	$ 112,658
Total Operating Expenses					$ 281,434	$ 289,877	$ 298,573	$ 307,530	$ 316,756	$ 326,259	$ 336,046	$ 346,128	$ 356,512	$ 367,207	$ 378,223	$ 389,570
CAPEX Reserve					$14,911	$14,911	$14,911	$14,911	$14,911	$14,911	$14,911	$14,911	$14,911	$14,911	$14,911	$14,911
Net Operating Income		$ -	$ -	$ -	$ 826,352	$ 851,590	$ 877,585	$ 904,360	$ 931,938	$ 960,344	$ 989,601	$ 1,019,737	$ 1,050,776	$ 1,082,747	$ 1,115,676	$ 1,149,594
Annual Cash Flows																
Net Operating Income		$ -	$ -	$ -	$ 826,352	$ 851,590	$ 877,585	$ 904,360	$ 931,938	$ 960,344	$ 989,601	$ 1,019,737	$ 1,050,776	$ 1,082,747	$ 1,115,676	
Initial Equity Investment (Phase II)		($1,429,233)	($1,429,233)	($714,617)												
Refinance Proceeds					$ 3,881,484											
Construction Loan Interest Payoff (Phase II)				($253,081)												
Debt Service & Loan Payoff (Perm Loan)					($602,529)	($602,529)	($602,529)	($602,529)	($602,529)	($602,529)	($602,529)	($602,529)	($602,529)	($602,529)	($8,612,284)	
DSCR					1.37	1.41	1.46	1.50	1.55	1.59	1.64	1.69	1.74	1.80		
Asset Value at Exit															20,483,672	
Leveraged Net Cash Flow		($1,429,233)	($1,429,233)	($967,698)	$ 4,105,307	$249,061	$275,056	$301,831	$329,409	$357,814	$387,072	$417,207	$448,247	$480,217	$12,987,065	
Total Cash Flow	($3,316,891)	$ -	$ -	$ -	$ 4,105,307	$ 249,061	$ 275,056	$ 301,831	$ 329,409	$ 357,814	$ 387,072	$ 417,207	$ 448,247	$ 480,217	$ 12,987,065	
Net Present Value		$5,710,943														
Leveraged IRR		21.45%														

Assumptions (Phase I + Phase II)			
Building Gross SF		198,347	
Residential Gross SF		168,526	
Residential Net SF		117,133	
Retail RSF		7,027	
Medical Office Gross SF		29,821	
Medical Office Rentable SF		28,136	
Mechanical Parking spaces		113	
Income			
Housing Avg. Rent (per SF)	$	2.20	/mo
Pet Deposits (per unit)	$	20.00	/mo
Utility Reinbursement (per unit)	$	100.00	/mo
Medical Office Avg. Rent (per SF)	$	32.00	NNN
Retail Avg. Rent	$	20.00	NNN
Mech Parking Rent (per space)	$	120.00	/mo
Food Carts (8 total)	$	1,200.00	NNN/mo
Expenses			
Vacancy		5%	
Housing Opex (per unit)	$	4,000	
Housing Property Tax (per unit)	$	2,355	
Medical Office Opex (per RSF)	$	7.11	
Medical Office Property Tax (per RSF)	$	2.73	
Opex (% of EGI)		28.46%	
Cap Rate & Reserve			
Housing @ Exit		5.00%	
Medical Office @ Exit		5.50%	
Selling Cost		2%	of selling price
Reserve (Apartment)		$400.00	/Unit/Year
Reserve (Medical Office)		$0.50	/sf/year
Dev Costs			
Land Cost:		$5,500,000	
Hard Costs /SF		$204	
Soft Costs (% of HC)		25.45%	
Total Development Costs		$ 56,265,570	
Loan Fee (of loan amount)		0.50%	
Equity & Loan Details			
Construction Loan LTC		65%	
Construction Loan Amount		$ 36,572,620	
Construction Loan Interest Rate		4.50%	
Perm Loan LTV		70%	
Perm Loan Amount		$ 47,635,826	
Perm Loan Interest Rate		4.00%	
Perm Loan Amortzation Years		30	
Min DSCR		1.25	
Monthly PMT		($227,421)	
Yearly PMT		($2,729,049)	
Land (Owned by Biggi family)		$ 5,500,000	
Biggi Family Equity		$ 2,000,000	
Private Investors Equity		$ 12,192,949	
Required Return		8%	

Summary Cash Flow - Proforma (Phase I + Phase II)		Due Dilligence +APT Design +MOB Design	Permiting+ APT Construction+ MOB preleasing	APT Construction +MOB Construction	APT Leasing + MOB Occupancy	APT Stabilized									Exit	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Gross Rental Income	Growth Rate	7/2020-7/2021	7/2021-7/2022	7/2022-7/2023	7/2023-7/2024	7/2024-7/2025	7/2025-7/2026	7/2026-7/2027	7/2027-7/2028	7/2028-7/2029	7/2029-7/2030	7/2030-7/2031	7/2031-7/2032	7/2032-7/2033	7/2033-7/2034	7/2034-7/2035
Housing	3%				$ 3,092,311	$ 3,185,081	$ 3,280,633	$ 3,379,052	$ 3,480,423	$ 3,584,836	$ 3,692,381	$ 3,803,153	$ 3,917,247	$ 4,034,765	$ 4,155,808	$ 4,280,482
Retail	3%				$ 140,540	$ 144,756	$ 149,099	$ 153,572	$ 158,179	$ 162,924	$ 167,812	$ 172,846	$ 178,032	$ 183,373	$ 188,874	$ 194,540
Mechanical Parking	3%				$ 162,720	$ 167,602	$ 172,630	$ 177,809	$ 183,143	$ 188,637	$ 194,296	$ 200,125	$ 206,129	$ 212,313	$ 218,682	$ 225,243
Medical Office	3%				$ 900,352	$ 927,363	$ 955,183	$ 983,839	$ 1,013,354	$ 1,043,755	$ 1,075,067	$ 1,107,319	$ 1,140,539	$ 1,174,755	$ 1,209,998	$ 1,246,298
Other	3%				$ 203,040	$ 324,331	$ 334,061	$ 344,083	$ 354,405	$ 365,038	$ 375,989	$ 387,268	$ 398,886	$ 410,853	$ 423,179	$ 435,874
Opex Recoveries	3%				$ 281,434	$ 289,877	$ 298,573	$ 307,530	$ 316,756	$ 326,259	$ 336,046	$ 346,128	$ 356,512	$ 367,207	$ 378,223	$ 389,570
Vacancy & Credit Loss	5%				$ 1,858,395	$ 251,950	$ 259,509	$ 267,294	$ 275,313	$ 283,572	$ 292,080	$ 300,842	$ 309,867	$ 319,163	$ 328,738	$ 338,600
Effective Gross Income					$ 2,922,002	$ 4,787,058	$ 4,930,670	$ 5,078,590	$ 5,230,948	$ 5,387,876	$ 5,549,513	$ 5,715,998	$ 5,887,478	$ 6,064,102	$ 6,246,025	$ 6,433,406
Operating Expenses																
Housing Opex	3%				$ 564,000	$ 580,920	$ 598,348	$ 616,298	$ 634,787	$ 653,831	$ 673,445	$ 693,649	$ 714,458	$ 735,892	$ 757,969	$ 780,708
Housing Property Tax	3%				$ 332,069	$ 342,031	$ 352,292	$ 362,861	$ 373,747	$ 384,959	$ 396,508	$ 408,403	$ 420,655	$ 433,275	$ 446,273	$ 459,661
Medical Office Opex	3%				$ 200,047	$ 206,048	$ 212,230	$ 218,597	$ 225,155	$ 231,909	$ 238,867	$ 246,033	$ 253,414	$ 261,016	$ 268,846	$ 276,912
Medical Office Property Tax	3%				$ 81,387	$ 83,828	$ 86,343	$ 88,933	$ 91,601	$ 94,349	$ 97,180	$ 100,095	$ 103,098	$ 106,191	$ 109,377	$ 112,658
Total Operating Expenses					$ 1,177,503	$ 1,212,828	$ 1,249,213	$ 1,286,689	$ 1,325,290	$ 1,365,049	$ 1,406,000	$ 1,448,180	$ 1,491,625	$ 1,536,374	$ 1,582,465	$ 1,629,939
CAPEX Reserve					$14,911	$71,311	$71,311	$71,311	$71,311	$71,311	$71,311	$71,311	$71,311	$71,311	$71,311	$71,311
Net Operating Income		$ -	$ -	$ -	$ 1,729,589	$ 3,502,920	$ 3,610,147	$ 3,720,590	$ 3,834,347	$ 3,951,517	$ 4,072,202	$ 4,196,507	$ 4,324,542	$ 4,456,418	$ 4,592,249	$ 4,732,156
Annual Cash Flows																
Net Operating Income		$ -	$ -	$ -	$ 1,729,589	$ 3,502,920	$ 3,610,147	$ 3,720,590	$ 3,834,347	$ 3,951,517	$ 4,072,202	$ 4,196,507	$ 4,324,542	$ 4,456,418	$ 4,592,249	
Initial Equity Investment (Phase I)		($5,582,500)	($5,268,683)	($4,365,447)	($903,236)											
Initial Equity Investment (Phase II)		($1,429,233)	($1,429,233)	($714,617)												
Refinance Proceeds					$ 3,881,484	$ 7,181,722										
Construction Loan Interest Payoff (Phase I)			($679,927)	($1,375,296)												
Construction Loan Interest Payoff (Phase II)				($253,081)												
Debt Service & Loan Payoff (Perm Loan)					($602,529)	($2,729,049)	($2,729,049)	($2,729,049)	($2,729,049)	($2,729,049)	($2,729,049)	($2,729,049)	($2,729,049)	($2,729,049)	($39,982,319)	
DSCR						1.28	1.32	1.36	1.41	1.45	1.49	1.54	1.58	1.63		
Asset Value at Exit															90,701,894	
Leveraged Net Cash Flow		($7,011,733)	($7,377,843)	($6,708,440)	$ 4,105,307	$ 7,955,593	$ 881,098	$ 991,542	$ 1,105,299	$ 1,222,469	$ 1,343,153	$ 1,467,459	$ 1,595,493	$ 1,727,369	$ 55,311,825	
Total Cash Flow	($18,143,033)	$ -	$ -	$ -	$ 4,105,307	$ 7,955,593	$ 881,098	$ 991,542	$ 1,105,299	$ 1,222,469	$ 1,343,153	$ 1,467,459	$ 1,595,493	$ 1,727,369	$ 55,311,825	
Net Present Value		$13,983,198														
Leveraged IRR		14.11%														

	Phase I	Phase II	Total
Return on Cost	5.76%	8.09%	6.23%
Net Present Value	$8,272,255	$5,710,943	$13,983,198
Leveraged IRR	12.44%	21.45%	14.11%
Profit Share			
IRR to Private Investors			15.78%
IRR to Biggi Family			23.05%