

Broadmoor Apartments

Applicant: Cleveland Crossing LLC
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Management: PropNest LLC (In-House Property Management)

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 Amount of Loan: \$3,800,000

PILOT Application Summary: The Broadmoor is a 36-unit multifamily apartment community located at 290 S. Cleveland in Certified IRS Opportunity Zone. Built in 1928, the Broadmoor is comprised of 28 2-bedroom units and 8 1-bedroom units. The Applicant is purchasing the Broadmoor for an allocated cost of \$71,000 per unit of \$2,556,000. The Applicant is also purchasing the adjacent vacant land and second apartment community, currently known as the Woodlands, on the same contract, and has concurrently filed an additional PILOT Application for the Woodlands development.

The applicant has budgeted over \$42,000 per unit in capital expenditures across the project and intends to modernize the property through individual unit upgrades and exterior overhaul. The Applicant has budgeted over \$10,000 per unit in exterior hard costs to make site improvements to security cameras and upgraded exterior lighting, window replacement and repair, and other curb appeal enhancements to the benefit of the Cleveland corridor. Additionally, the Applicant will enhance the property’s courtyard, building a gathering space to encourage fellowship and foster a sense of community.

The Applicant intends to immediately implement the usage of routine background and credit checks for all new tenants and applicants.

Interior renovations and improvements will comprise the remaining \$26,000 per unit hard cost with the most significant dollars going to installing central heating and air in the remaining 19 units that currently do not have it. The Applicant intends to supply washer and dryer equipment/hookups in the 1-bedroom units and supply washer and dryer equipment in the 2-bedroom units. Currently, 1-bedroom units do not have washers and dryers or any onsite facilities whereas tenants in 2-bedroom units are required to supply their own equipment. Further, the Applicant intends to substantially improve an additional 24-units to varying degrees. These units are either currently vacant or improvements will occur at unit turns. There are currently 3 units completely down to the studs. Prior ownership had demoed 4 units total with plans of turning each of these units into 2-bedroom, 2-bathroom units but only ended up completing one of the four. In addition to completing the conversion of these three units, the Applicant intends to add a second bathroom to up to 6 of the additional units to continue to improve the unit mix.

The Applicant intends to designate the 6-1 BR/1 BA units and the 9-2 Br/1 BA units will be reserved to satisfy the 60/40 test. The Applicant intends to rent the 2 BR/1 BA units at \$1,200/month in the first year (the non-set aside units will rent for \$1,250).

Total Units	BR/BA	Units	SF	Rent: Post Rehab	Rent: Pre/Post \$/SF
36	2 BR/2 BA	4	950	\$1,300	\$1.37
	2 BR/1 BA + Office	6	1100	1,350	1.23
	2 BR/1 BA	18	950	1,225	1.29
	1 BR/1 BA + Office	2	775	1,000	1.29
	1 BR/1 BA	6	700	975	1.39

*2 BR/2 BA- 3 units currently down to studs

*2 BR/1 BA + Office- add bath if possible

Total Development Cost: \$ 4,377,337
Development Cost per Unit: \$ 121,592.69
Location: 290 S. Cleveland, 38104
Occupancy: 78% Occupied

Sources		Uses	
Equity	\$427,734	Purchase Price	\$2,610,000
1 st Mortgage	3,849,603	Closing Costs	195,291
Gow Fund	100,000	Working Cap	100,000
		Capex	1,472,046
Total Development Costs	\$4,377,337	Total All Costs	\$4,377,337

Tenant Benefit Breakdown	Actual Cost
Energy Efficient Central HVAC Upgrade Budget (19* \$14,400)	\$273,600
Washer/Dryer Equipment Supply- 2-Bedrooms (28* \$1,680)	47,040
Washer/Dryer Hook-up & Equipment Supply- 1-Bedrooms (8* \$6,000)	48,000
Exterior Courtyard Revamp	30,000
Video Camera & Security Upgrades	51,840
Broadmoor Lighting & Upgrades	25,000
Broadmoor Parking Lot Upgrades & Repairs	30,000
Subtotal	\$505,480

Proposed timing/anticipated dates for the following:

- a. Closing of the loan, bond, or related supplemental financing: November 28, 2023
- b. First expenditure of funds related to the project: August 7, 2023
- c. Anticipated date of demolition and/or commencement of construction: November 29, 2023
- d. Anticipated completion date of the project: Stabilization-December 31, 2025
- e. When the project will be placed into service: November 28, 2023
- f. Anticipated closing date for the PILOT: November 28, 2023- anticipating guidance

**The Broadmoor Apartments
Capital Expenditure & Improvement Budget**

Project	GL Code	Qty	Qty Type	Qty Cost	Subtotal
EXTERIOR IMPROVEMENTS					
Building Exterior:					
Broadmoor Parking Lot Initial Repairs		1	per project	\$30,000	\$30,000
Exterior Facelift (Pressure Wash, Paint Touchups)		36	per unit	\$2,400	\$86,400
Exterior Courtyard		1	per unit	\$30,000	\$30,000
Gutters / Liters		1	per project	\$24,000	\$24,000
Broadmoor Video / Security Upgrades		36	per unit	\$1,440	\$51,840
Broadmoor Lighting & Signage		1	per project	\$30,000	\$30,000
Broadmoor Gate / Fencing		1	per project	\$24,000	\$24,000
Window Replacement Budget - Broadmoor		36	per unit	\$3,000	\$108,000
BUILDING EXTERIORS SUBTOTAL					\$384,240
<i>Per Unit</i>					<i>\$10,673</i>
Subtotal Exterior Improvements					\$384,240
<i>Per Unit</i>					<i>\$10,673</i>
INTERIOR IMPROVEMENTS					
Unit Interiors:					
Interior Renovations - Broadmoor Gut		3	per unit	\$60,000	\$180,000
Interior Renovations - Broadmoor Heavy		2	per unit	\$54,000	\$108,000
Interior Renovations - Broadmoor Full		4	per unit	\$30,000	\$120,000
Interior Renovations - Broadmoor Light		6	per unit	\$14,400	\$86,400
Interior Renovations - Broadmoor Minimum		9	per unit	\$9,000	\$81,000
HVAC Upgrade/Modification Budget		19	per unit	\$14,400	\$273,600
Washer / Dryer Install - 2 Bedrooms		28	per unit	\$1,680	\$47,040
Washer / Dryer Install - 1 Bedrooms		8	per unit	\$6,000	\$48,000
Subtotal Interior Improvements					\$944,040
<i>Per Unit</i>					<i>\$26,223</i>
Total Hard Costs					\$1,328,280
Soft Cost Contingency			2.50%		\$33,207
Architect & Engineering Fees			2.50%		\$33,207
Construction Management & Overhead			10.00%		\$132,828
Total Soft Cost & General Conditions					\$199,242
<i>Per Unit</i>					<i>\$5,535</i>
Total Improvements Budget					\$1,527,522
<i>Per Unit</i>					<i>\$42,431</i>

