
Hedgerow Apartments

Applicant: The Magnolia Memphis, LLC
C/o Lauren King
PO Box 683633
Park City, UT 84068

Contact: Lauren King Taylor King
435-901-8434 610-613-7773
lking@guardsmancapitalpartners.com tking@guardsmancapitalpartners.com

Management: Multi-South Management Services
David Shores
6075 Poplar Avenue, Suite 630
Memphis, TN 38119
901-334-2056 (David); 901-680-9005 (Office)
david@multi-south.com

Counsel: J William Pierce, Jr.
Glankler Brown
6000 Poplar Avenue, Suite 400
Memphis, TN 38119
901-576-1702
wpierce@glankler.com

PILOT Application Summary: Hedgerow Apartments is a 167-unit apartment community located in Memphis, TN, near the intersection of Riverdale and Shelby Drive, built in 1986. Hedgerow was a premier apartment until it fell into despair about ten years ago. The intended use is to maintain the property as multi-family, with significant improvements both inside and out. Hedgerow Apartments is part of the Bennington Homeowners Association and improvements will be made to all rentable SF as well as exterior improvements and landscaping improvements to all grounds. Hedgerow Apartments was part of a bond portfolio that was eventually foreclosed by the lender. At the time of the foreclosure, the property has experienced some operational and physical distress, which was addressed by the foreclosing lender by way of immediate repair needs only. The new ownership group plans to invest at least \$6.75 Million in capital improvements in an effort to push towards stabilization. The applicant plans to continue to renovate all units (approximately 30 of which are “down” units which will require extensive work) and will make renovation improvements in all other units. The proposed improvements include new energy efficient HVAC systems, laminate flooring, new cabinets or cabinet fronts, new countertops, upgraded lighting and plumbing fixtures, and new interior paint colors to provide an apartment home that feels new and fresh. Exterior improvements will include replacement of all siding and roofs, new asphalt, improved landscaping, improvements to amenities such as dog parks and pickleball courts, and an upgraded entry system.

Total Units	BR/BA	Units	SF	Rent: Pre/Post Rehab	Rent: Pre/Post \$/SF
167	1BR/ 1 BA	21	688	\$640/\$845	\$0.93/\$1.23
	2 BR/2 BA	49	950	740/1038	0.78/1.09
	2 BR/2 BA	17	958	755/1044	0.79/1.09
	2 BR/2 BA	23	970	765/1044	0.79/1.08
	2 BR/1.5 BA	20	1024	775/1150	0.76/1.12
	3 BR/2 BA	19	1180	875/1190	0.74/1.01
	3 BR/2 BA	18	1265	890/1294	0.70/1.02

Total Development Cost: \$ 21,467,347
Development Cost per Unit: \$ 128,546.99
Location: 4733 Heather Row, 38141

Sources and Uses of Funds:

Sources		Uses	
Debt	\$12,900,000	Purchase price	\$13,500,000
Equity	8,567,347	Due Diligence and closing/PILOT	673,946
		Financing costs	370,651
		Acquisition fees	168,750
		Renovation costs	6,754,000
Total Development Costs	\$21,467,347	Total All Costs	\$21,467,347

Tenant Benefit Breakdown	Actual Cost
Site work: remove excess trees causing curb and parking area problems, add back new landscaping, cleanup existing landscaping to provide clean sight lines	230,000
Energy efficient HVAC	1,302,000
Energy efficient stainless-steel appliances	367,400
New laminate flooring	585,000
New energy efficient water heaters	92,000
New cabinets/cabinet fronts and countertops	225,000
Camera system	75,000
Improve access gate systems	125,000
Improved exterior lights	125,000
Improved mail area with new lighting	35,000
Dog park	15,000
Sports court	7,500
Grilling and picnic areas	45,000
Subtotal	\$3,228,900

***Operational benefits:**

- Background checks on all prospective residents
- Onsite office, staffed daily
- Onsite maintenance with 24-hour response
- All occupants must be on lease
- Onsite staff walks property daily to look for issues
- Contractors required to provide insurance
- All employees and contractors checked for background

HICKORY RIDGE-SOUTH RIVERDALE

MISS RD

RIVERDALE RD

GILFORD DR

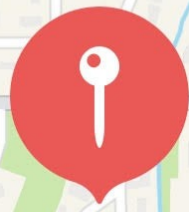
LEASH LN

E SHELBY DR

Pop's Deli

4733 Heather Row

ROSS RD



A