Timber Pines Apartments

Applicant: Gowan Pines Apartments, LLC

290 NW 165 St., Suite M200 North Miami, FL 33169

Contact: Mendel Fischer Shrage Marasow

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Management: Property Solutions Group, LLC

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Launch Credit Union

Lender: P.O. Box 52458

Philadelphia, PA 19115

Amount of Loan: \$9,000,000

PILOT Application Summary: The Applicant seeks approval for a refinance on the property. The PILOT term commenced on this property December 1, 2021. The proposed Lender is Launch Credit Union. The property will be managed by Property Solutions Group, LLC. Timber Pines Apartments is an apartment complex with 114 residential units. Applicant (Gowan Pines Apartments LLC) purchased the property in 2019 and has completed a significant amount of rehabilitation of the complex. Mr. Fischer has rehabilitated a number of low- and middle-income family properties in New Jersey, Georgia, and Tennessee. Mr. Fischer owns eight multifamily residential properties in Memphis, including Watkins Manor Apartments, Grainge Hill Apartments, Gowan Pines Apartments, Willow Oaks Apartments, Bridgeport Manor Apartments and Eden Pointe Apartments. The Board has approved PILOTs for these properties. Additionally, Mr. Fischer owns Cane Creek Apartments, which is not operating under a PILOT. Mr. Fischer took over this property with all units vacant. Since the PILOT was approved in December 2021 the Applicant has diligently work to rehabilitate the property, which is now 75% occupied. It will continue rehabilitating the property, adding tenant benefits. Applicant is committed to making it a safe and clean environment in which families in Memphis may live. The Applicant has installed a new security gate at the font of the entrance, replaced the roof, repaired the parking lot, electrical and plumbing systems. The units have been substantially completed (95% of rehabilitation of units completed). A number of units awaiting lease up are pending MLGW action to hook up and approve meters. Upon completion of MLGW's work, the units will be leased. In addition, the applicant has substantially completed the tenant benefits listed in its original application including new energy efficient HVAC systems, modernized kitchens and finishings. Applicant will continue completing tenant benefits. The Applicant is requesting that the Board approve the Refinancing PILOT application for this property, which would enable the Applicant to complete rehabilitation of what was originally a largely vacant complex.

Total Units	BR/BA	Units	SF	Rent: Post Rehab	Rent: Post \$/SF
114	1 BR/1 BA	10	650	\$800	\$1.23
	2 BR/ 1 BA	104	800	900	1.12

Total Development Cost: \$ 7,498,900 **Development Cost per Unit:** \$ 65,779.82

Location: 1757 Gowan Drive 38127

Occupancy: 61% Occupied (03.17.2023 Rent Roll)

Number/percentage of Units to be Family Units: 104 Units/ 91% Family Units

Sources and Uses of Funds: ** Special Statement from PILOT Applicant: Applicant has provided the sources and uses table below for Timber Pines Apartments (Gowan Pines) Apartments. The explanation below has been provided to help the Board have a complete description of the funding sources for the three projects Mendel is rehabbing. Mendel has three properties (Hunters Ridge Apartments, Timber Pines Apartments, and Watkins Manor Apartments). While each is a separate project, he has purchased them as a group and injected equity and arranged loans and financing that can be used collectively on any of the properties. Equity was put into the projects on the initial purchase. He presented the projects to his lenders and can use loan proceeds among the properties. He is dedicated to rehabilitating and putting all the projects into operation. While we filed these as separate applications, Mendel sees the projects as a unit in terms of equity and financing. Mendel is committed to all the projects together.

Sources		Uses	
Refinancing Loan	\$9,000,000	Payoff of current loan	\$7,408,310
		Lender Fees	90,000
		Closing costs	50,000
		Continued upkeep and renovation,	1,451,690
		interest payments, continued	
		maintenance and operation of the	
		property over the life of the property and	
		other costs	
Total Development Costs	\$9,000,000	Total All Costs	\$9,000,000

*Original PILOT Tenant Benefits Approved

Tenant Benefit Breakdown	Actual Cost
HVAC or PTech systems	\$400,000
Installation of security cameras	25,000
Upgrade flooring (replace carpet) in many of the units	200,000
Installing new and replacing existing exterior light fixtures	12,000
Upgrading and replacing fencing	25,000
Landscaping	70,000
Replace electric systems	500,000
Adding Community and play areas	TBD
New laundry room	TBD
Repairing Comcast/Xfinity cables	TBD
Installing interactive security intercom system for added security	57,000
Subtotal	\$1,289,000

*Refinancing Application

Tenant Benefit Breakdown	Actual Cost
Installed more energy efficient HVAC or PTAC	\$400,000
Installation of new security cameras for enhanced security to the	TBD (anticipated cost is \$60,000)
project	
Upgraded flooring in all units	200,000
Installed new exterior lighting and upgraded lighting for	12,000
enhanced security	
Upgraded and replaced fencing; installed main gate for added	45,000
security	
Replaced all electric systems to provide upgraded efficiency	300,000
Installing new laundry rooms for tenant benefits	TBD (anticipated cost is \$50,000)
Subtotal	\$1,067,000

Proposed timing/anticipated dates for the following:

- **a.** Closing of the loan, bond, or related supplemental financing: Lender has issued its term sheet with an interest lock from 90 days. Applicant would anticipate closing within a time period to take advantage of that current interest lock.
- b. First expenditure of funds related to the project: Ongoing
- **c. Anticipated date of demolition and/or commencement of construction:** Construction and rehabilitation are substantially complete on this project
- d. Anticipated completion date of the project: December 2023
- e. When the project will be placed into service: This property is already in service
- f. Anticipated closing date for the PILOT: PILOT Term commenced December 1, 2021

