

Watkins Manor Apartments

Applicant: Watkins Manor Apartments, LLC
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North Miami, FL 33169

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Lender: A&S Capital LLC
2999 NE 191st St, suite 808
Miami, FL 33180
305-749-0848
Amount of Loan: \$14,500,000

PILOT Application Summary: Watkins Manor is an apartment complex with 214 residential units. The Applicant purchased the property in 2019 and has completed a significant amount of rehabilitation of the complex. The applicant took over this property with all units vacant. The Applicant seeks approval for a refinance on the property. The PILOT Term commenced on this property on December 1, 2021. The Applicant will continue to rehabilitate the property, adding tenant benefits, and is committed to making it a safe and clean environment in which families in Memphis may live. Approximately 54 units are completed and ready for occupancy. The applicant has completed demolition of the property and framing is complete. It has replaced the roof and installed new waterlines and electric and plumbing systems. Installation of new windows is nearly complete and applicant will continue working on the interior of the remaining units. 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, added around-the-clock personnel for enhanced on-site security, and new lighting and security cameras for added security. Applicant will continue completing tenant benefits. Applicant is installing new energy-star appliances and replacing the flooring in all units and will add speed bumps and enhanced lighting for safety. 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. Applicant’s goal is to have full lease up of the unit by December 2023.

Total Units	BR/BA	Units	SF	Rent: Post Rehab	Rent: Post \$/SF
214	1 BR/1 BA	16	570	\$800	\$1.40
	2 BR/ 1 BA	182	660	900	1.36
	3 BR/1 BA	16	860	1,100	1.27

Total Development Cost: \$ 12,919,700 *Original PILOT
Development Cost per Unit: \$ 56,970.56 *Original PILOT
Location: 2601 N. Watkins St 38127
Occupancy: Unoccupied. Site is under active construction. Per original PILOT which commenced December 2021, site construction is estimated to be completed in the fall of 2023 and achieve lease up by December 2023.

Sources and Uses of Funds:

Sources		Uses	
Refinancing Loan	\$16,000,000	Payoff of current loan	\$13,650,000
Owner's Equity	3,000,000	Lender Fees	320,000
		Closing Costs	100,000
		Continued renovations of units, maintenance, continued maintenance and operation of the property over the life of the property and other costs	4,930,000
Total Development Costs	\$19,000,000	Total All Costs	\$19,000,000

Tenant Benefit Breakdown	Actual Cost
Install more energy efficient HVAC systems	\$800,000
Installation of new security cameras for enhanced security to the project	100,000
Installed new exterior lighting and upgraded lighting for enhanced security	50,000
Upgraded and replaced fencing	75,000
Replaced all electric systems to provide upgraded efficiency	300,000
Improve surface parking lot and install speed bumps for safety	200,000
On-site around the clock security personnel	65,700
Landscaping upgrades	100,000
Subtotal	\$1,690,700

Project Timetable:

- a. Closing of the loan, bond, or related supplemental financing, if applicable:** Lender anticipates closing within 45 days of Board approval. Refinancing was necessary in part due to recent bank failings and the resulting regulator activity
- b. First expenditure of funds related to the project:** ongoing
- c. Anticipated date of demolition and/or commencement of construction:** Demolition is complete and construction is expected to be completed by the end of Q1 2024
- d. Anticipated completion date of the project:** End of March 2024
- e. When the project will be placed in service:** Units that are ready will be placed in service as soon as possible
- f. Anticipated closing date for the PILOT:** PILOT term commenced December 1, 2021

