



A Family-Oriented Development in the Ballpark Neighborhood



Total Project Cost
\$87,750,000

Retail SF
18,800

Townhomes
44

Apartments
166

Parking Stalls
249

Affordable Apartments
66%

Levered MOIC
2.92 x

Levered IRR
23.03%

DSCR
1.33

Tax Credit Factor
0.98



VISION & VALUES

District Vision

This is a pivotal time for the ballpark neighborhood. With the Bees leaving and the transition of the stadium, The Diamond District will be the **catalyst** that redefines what this area becomes.

Connectivity

The site is an epicenter of **transit connection**. There is the Trax station with all three Trax lines to the west, along with the I-15. There is a direct North-South connection to Downtown with West Temple and State Street surrounding the

Safety

In a neighborhood that is traditionally high in crime, The Diamond District takes action to create a safe community. **CPTED principles** are implemented to provide high visibility and continuous **activation** of the area.

Heritage

The Ballpark Neighborhood is rich with **history, culture, and diversity**. The Diamond District captures this by calling back to the baseball roots with row-style townhouses, providing **affordable housing** to prevent the displacement of the people that define the area.

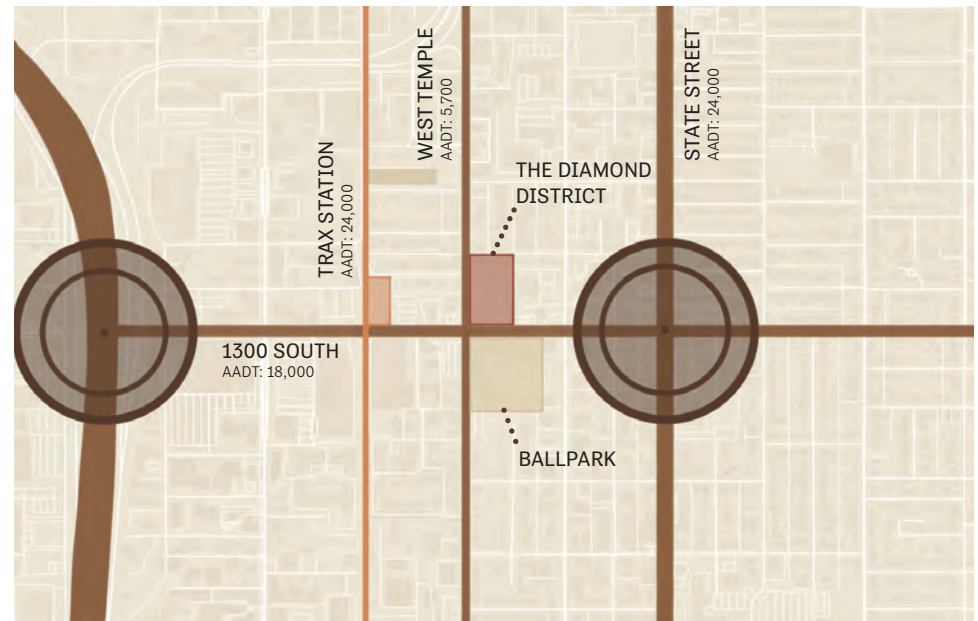
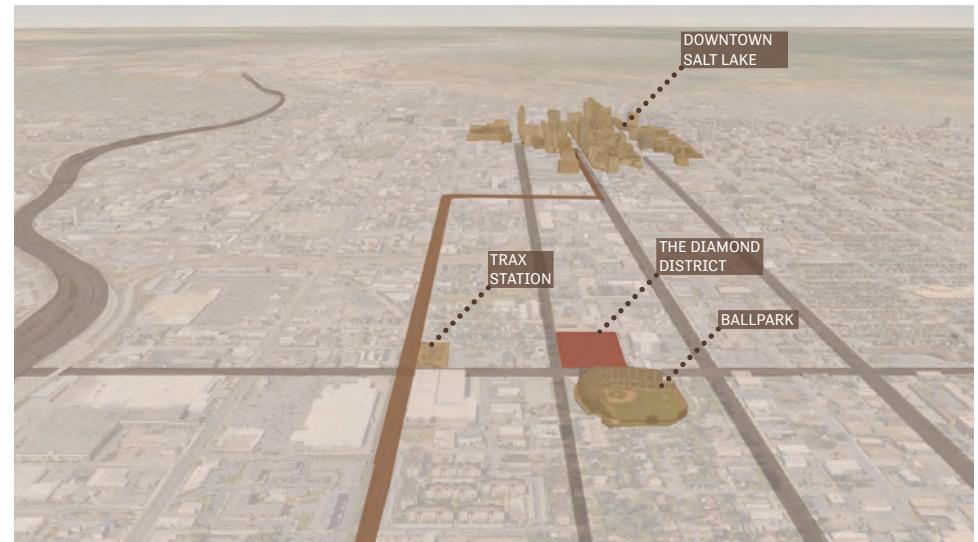
Sustainability

The Diamond District is committed to **sustainable development** and environmental conservation. The community integrates green initiatives such as eco-friendly construction methods, renewable energy sources, and water conservation.

Site Context

Located on the northeast corner of 1300 South and West Temple, the site of The Diamond District is directly north of the old Bees ballpark. Downtown is 10 blocks north of the site.

“The purpose of the district is to provide places for small and large businesses, increase the supply of a variety of housing types in the city, and promote the public health by increasing the opportunity for people to access daily needs by walking or biking.” - Ballpark Station Area Plan



SITE PROPOSAL

Family Minded Amenities

Amenities centered around families makes it easier to live in an urban center. Rooftop amenities as well as community green space allows for families and friends to gather.

Safer Streetscapes

In a neighborhood where safety has been a concern, The Diamond District offers wide sidewalks and illuminated streets to make it more welcoming for pedestrians.

The Diamond District

The Ballpark neighborhood is an area that is underutilized despite the iconic landmark it is home to. Whatever the old Bees stadium becomes, we know it will be a activated as a hub for the city.

The Diamond District brings new energy to the Ballpark neighborhood by introducing a new family centered development just north of the old stadium.

The District

The Diamond District provides affordable multi-family housing as well as townhouses for sale to bridge the gaps in the community and connect the people in it.

Ground Level Retail

Retail on the ground floor of the apartment building can be seen from 1300 S, bringing in revenue for the district as well as providing convenience for the residents.

Parking

- + 224 residential parking spots
- + 58 retail parking spots
- + 15 on street parking spots
- + Private garages on townhouses

Amenities

- + Rooftop deck
- + Fitness center
- + Modern lobby
- + Community green space
- + Smart home technology
- + Family oriented lounge

Retail Corridor

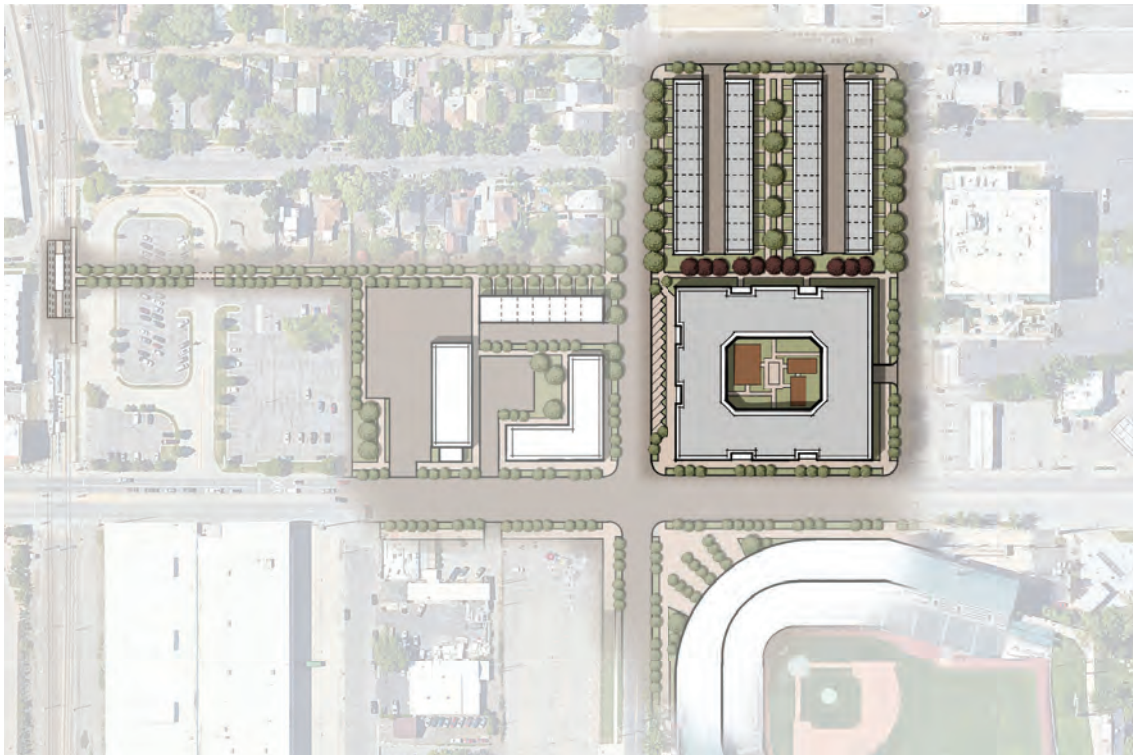
On the same block that they live on, residents can have easy access to restaurants, shopping, and groceries through safe and accessible corridors.

Pedestrian Connection

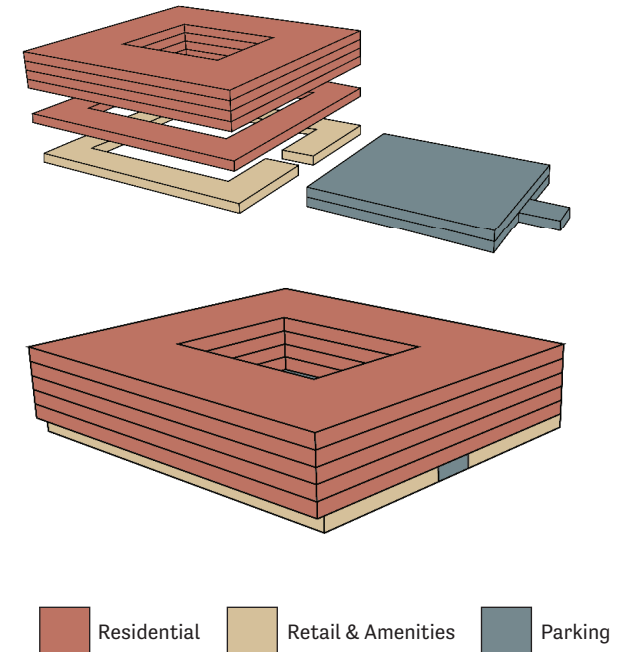
Green corridors between the townhouses and the apartments connect the community and provide spaces for families of all ages.



THE DIAMOND DESIGN



Stacking Model



Legally Permissible

The Diamond District is legally permissible under future zoning changes. The site is currently zoned under Salt Lake City's PL, Public Lands District. However, given the proposed zoning changes in the Ballpark Station Area Plan, a new zone, MU-8, Form Based, Mixed Use 8 Zoning District would allow for the development to proceed. The maximum building height for MU-8 zone is 90 feet.

Physically Possible

Given the infill nature of the development, the project poses very little risk physically. However, the current capital stack warrants increased scrutiny during all phases of the development and operational life cycle and ensuring compliance standards continue to be met will be a primary focus. Although more complex, we will be utilizing a hybrid podium construction style.

Maximally Productive

The project consists of 166 residential units, 15,500 SF of retail, and forty-four 2,200 SF townhomes for sale. Salt Lake City continues to suffer from a shortage in housing, and a major initiative in the Ball Park Station Area Plan is to increase homeownership rates alongside attainable housing options. Additionally, the Diamond District will pioneer a retail rich corridor, activating the heart of the neighborhood and increasing safety.

Financially Feasible

Based on our underwriting, the project returns of 9.56% IRR and an equity multiple of 1.83x signify the feasibility. We are utilizing Low Income Housing Tax Credits (LIHTC) and a ground lease with the city in exchange for the development of 66% of the unit mix as affordable for income levels below 60% AMI. The ground lease will run the duration of the Land Use Restrictive Agreement (LURA) for a total of 99 years.

CONSTRUCTION COSTS

| DIAMOND DISTRICT - TOTAL PROJECT COSTS | | | | |
|---|-----------------|---------------|-------------------|------------|
| CONSTRUCTION COSTS | \$/UNIT | \$/SF | TOTAL | |
| Land Costs | | | | |
| Acquisition Cost | | | 7,973,680 | |
| Closing Cost | | | 159,474 | |
| TOTAL LAND COSTS | | | 8,133,154 | |
| Construction Costs | | | | |
| | | \$/SF | TOTAL | |
| Apartment Building | 335,039 | 278.78 | 55,616,504 | |
| Townhome Sales | 275,000 | 128.99 | 12,100,000 | |
| TOTAL CONSTRUCTION COSTS | 610,039 | 407.77 | 67,716,504 | |
| Soft Costs | | | | |
| Architects & Engineers | 10,462 | 11.46 | 2,146,916 | |
| Builder's Risk | 3,350 | 2.97 | 556,165 | |
| Legal & Misc. | 3,350 | 2.97 | 556,165 | |
| Development Overhead | 6,701 | 10.20 | 1,909,698 | |
| Leasing / Pre-Opening | 3,350 | 2.97 | 556,165 | |
| Soft Cost Contingency | 210 | 0.19 | 34,858 | |
| Developer Fee | 19,669 | 17.43 | 3,265,000 | |
| Total Soft Costs | 47,093 | 48.18 | 9,024,968 | |
| Total Project Costs before Financing | 455.95 | | 84,874,625 | |
| Construction Loan Fees / Costs | | 2.02 | 379,146 | |
| Interest Reserve (% Avg Loan Bal) | | 13.33 | 2,496,228 | |
| TOTAL PROJECT COST after FINANCING | 471.30 | | 87,750,000 | |
| Apartment Building | | | | |
| Parking Structure Units | | | 234 | |
| Units | | | 166 | |
| RSF | | | 199,500 | |
| Site Area | | | 93,500 | |
| CONSTRUCTION COSTS | | | | |
| | \$/UNIT | \$/SF | TOTAL | |
| CORE AND SHELL | | | | |
| Hard Costs | \$215 /SF | 258,389 | 215.00 | 42,892,500 |
| Site Work | \$10 /Site SF | 5,633 | 4.69 | 935,000 |
| Furniture & Fixtures | 2.50% | 6,460 | 5.38 | 1,072,313 |
| Parking Structure | \$30,000 /Stall | 42,289 | 35.19 | 7,020,001 |
| HC Contingency | 3% | 9,383 | 7.81 | 1,557,594 |
| Builder's Fee | 4% | 12,886 | 10.72 | 2,139,096 |
| TOTAL CORE & SHELL | 335,039 | 278.78 | 55,616,504 | |
| Soft Costs | | | | |
| Architects & Engineers | 3.0% | 10,051 | 8.36 | 1,668,495 |
| Builder's Risk | 1.0% | 3,350 | 2.79 | 556,165 |
| Legal & Misc. | 1.0% | 3,350 | 2.79 | 556,165 |
| Development Overhead | 2.0% | 6,701 | 5.58 | 1,112,330 |
| Leasing / Pre-Opening | 1.0% | 3,350 | 2.79 | 556,165 |
| Total Soft Costs | 26,803 | 22.30 | 4,449,320 | |
| Total Project Costs before Financing | 361,842 | 301.08 | 60,065,825 | |
| Townhomes | | | | |
| Units | | | 44 | |
| RSF | | | 2,200 | |
| Site Area | | | 93,808 | |
| CONSTRUCTION COSTS | | | | |
| | \$/UNIT | \$/SF | TOTAL | |
| Land Acquisition | | | | |
| Acquisition Cost | 181,220 | 85.00 | 7,973,680 | |
| Closing Costs | 3,624 | 1.70 | 159,474 | |
| Total Land Acquisition | 184,844 | 86.70 | 8,133,154 | |
| Core and Shell | | | | |
| Construction Costs | 275,000 | 128.99 | 12,100,000 | |
| TOTAL CORE & SHELL | 275,000 | 128.99 | 12,100,000 | |
| Soft Costs | | | | |
| Architects & Engineers | 6.0% | 10,873 | 5.10 | 478,421 |
| Other Soft Costs | 10.0% | 18,122 | 8.50 | 797,368 |
| Total Soft Costs | 28,995 | 13.60 | 1,275,789 | |
| Total Project Costs before Financing | 488,840 | 229.29 | 21,508,942 | |

COMPARABLES



Bowers Residences

2 Bedroom \$2,144
3 Bedroom \$2,882



The Aster

2 Bedroom \$1,824
3 Bedroom \$2,500
4 Bedroom \$2,800



Central Station

2 Bedroom \$1,655
3 Bedroom \$1,700
4 Bedroom \$1,925



The Beverly

2 Bedroom \$1,872
3 Bedroom \$2,750

UNIT MIX

| UNIT TYPE | SF | TOTAL SF | UNITS | % UNITS | RENT/SF/MO | RENT/UNIT/MO | ANNUALIZED RENT |
|----------------------|--------------|----------------|------------|---------------|-------------|--------------|------------------|
| 2 Bd/2 Bth | 1,000 | 42,000 | 42 | 25.3% | 1.80 | 1,800 | 777,600 |
| 2 Bd/2 Bth - 60% AMI | 1,000 | 50,000 | 50 | 30.1% | 1.35 | 1,347 | 581,904 |
| 3 bd/2 Bth | 1,400 | 15,400 | 11 | 6.6% | 1.57 | 2,200 | 633,600 |
| 3 bd/2 Bth - 60% AMI | 1,400 | 70,000 | 50 | 30.1% | 1.11 | 1,550 | 446,400 |
| 4 Bd/3 Bth | 1,700 | 5,100 | 3 | 1.8% | 1.47 | 2,500 | 150,000 |
| 4 Bd/3 Bth - 60% AMI | 1,700 | 17,000 | 10 | 6.0% | 1.01 | 1,722 | 103,320 |
| TOTAL | 1,202 | 199,500 | 166 | 100.0% | 1.46 | 1,726 | 2,692,824 |

* LIHTC Rents Include Utility Allowance

RETAIL

RETAIL INCOME (NET OF EXPENSES)

| RETAIL INCOME | | | | % Pre-Leased | | 10% | |
|----------------------------------|----------------------|-----------------------|-------------------|-----------------------|-------------------|------------------|--------------------|
| SUITE | TENANT | LEASE START | SF | RENT START | ANNUAL BUMPS | RENT/SF/YR | ANNUAL RENT (YR 1) |
| 100 | Neighborhood Grocery | Month 19 | 7,600 | Month 22 | 3.00% | 18.00 | 136,800 |
| 102 | Sit-Down Eatery | Month 21 | 2,600 | Month 24 | 3.00% | 25.00 | 65,000 |
| 103 | Fast Casual Eatery | Month 21 | 1,600 | Month 24 | 3.00% | 25.00 | 40,000 |
| 104 | Boutique | Month 23 | 1,600 | Month 26 | 3.00% | 25.00 | 40,000 |
| 105 | Cellular | Month 23 | 1,600 | Month 26 | 3.00% | 25.00 | 40,000 |
| 106 | Coffee | Month 25 | 1,600 | Month 28 | 3.00% | 25.00 | 40,000 |
| 107 | Ice Cream | Month 25 | 1,200 | Month 28 | 3.00% | 25.00 | 30,000 |
| 108 | Soda | Month 27 | 1,000 | Month 30 | 3.00% | 25.00 | 25,000 |
| | | | 18,800 | Month 22 | 3.00% | 22.17 | 416,800 |
| RECOVERY INCOME | | RECOVERY START | RECOVERY % | PRO RATA SHARE | REC./SF/YR | AMOUNT/YR | |
| | Neighborhood Grocery | Month 19 | 100% | 40.4% | 11.36 | 86,364 | |
| | Sit-Down Eatery | Month 21 | 100% | 13.8% | 11.36 | 29,545 | |
| | Fast Casual Eatery | Month 21 | 100% | 8.5% | 11.36 | 18,182 | |
| | Boutique | Month 23 | 100% | 8.5% | 11.36 | 18,182 | |
| | Cellular | Month 23 | 100% | 8.5% | 11.36 | 18,182 | |
| | Soda | Month 27 | 100% | 5.3% | 11.36 | 11,364 | |
| RECOVERY INCOME | | Month 19 | | | 9.67 | 181,818 | |
| POTENTIAL RETAIL INCOME | | | | | | 598,618 | |
| - Retail Vacancy and Credit Loss | | | | 7.00% | \$/SF/YR | (41,903) | |
| EFFECTIVE GROSS REVENUE | | | | | 29.61 | 556,715 | |

RETAIL EXPENSES

| RETAIL OPERATING EXPENSES | % FIXED | Expense Growth | UNIT/YR | \$/SF/YR | AMOUNT/YR |
|--|---------|----------------|---------|----------|-----------|
| Common Area Maintenance | 0% | 3.00% | 316 | 2.18 | 41,018 |
| Management Fee | 0% | 0.00% | 263 | 1.82 | 34,182 |
| Insurance | 0% | 3.00% | 145 | 1.00 | 18,800 |
| Property Taxes | 0% | 3.00% | 920 | 6.36 | 119,636 |
| TOTAL OPERATING EXPENSES | | | | 11.36 | 213,636 |
| RETAIL INCOME (Net of Expenses) | | | | 18.25 | 343,079 |

| RETAIL LEASING COST RESERVE | New Lease | Renewal Lease | New Lease | Renewal Lease |
|-------------------------------------|-----------|---------------|---------------------|---------------|
| ASSUMPTIONS | | | CALCULATION | |
| Renewal Probability | 30.0% | 70.0% | Tenant Improvements | 253,800 |
| Average Retail Market Rent | 23.00 | 22.17 /SF | Leasing Commissions | 77,832 |
| Tenant Improvements | 45.00 | 20.00 /SF | Total Leasing Costs | 331,632 |
| Leasing Commissions | 6.0% | 4.0% | Leasing Cost/Yr | 33,163 |
| Lease Term | 10 Years | 7 Years | | 49,270 |
| Retail Leasing Cost Reserves | | | | 4.38 |
| | | | | 82,434 |

