



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

Levered MOIC 2.92 x

23.03%

Affordable Apartments Levered IRR 66%

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 rowstyle 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.

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.

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.

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.

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.

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.

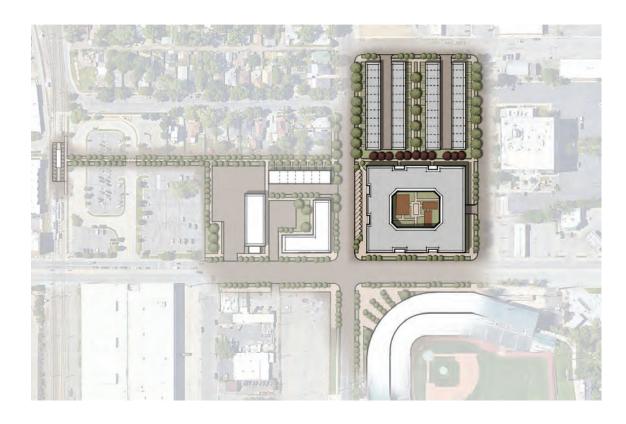


Pedestrian Connection

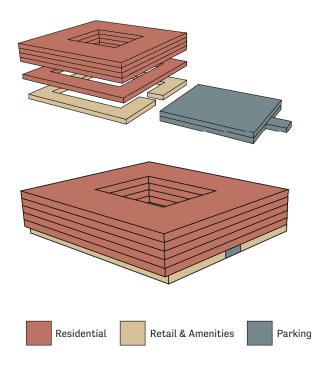
Green corridors between the townhouses and the apartments connect the community and provide spaces for families of all ages.



THE DIAMOND DESIGN



Stacking Model



Legally Permissable

The Diamond District is legally permissable 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.

DEAL ECONOMY

SOURCES & USES											
Sources		<u>Uses</u>					Project Return		IITY MULTIPLE	<u>IRR</u>	NET PROFIT
LIHTC Equity	17,598,981				8,133,154		Net Unlevere	ed	1.97X	9.67%	51,826,830
Cash Equity		Apartment Bui			60,095,629		Net Levered		2.92X	23.03%	50,855,758
RDA HDLP Loan		Townhome De	velopment		13,375,789			n (10 Yr. Avg.)			11.7%
Construction Loan	,,	Developer Fee Carry Cost			3,265,000		DSCR (10 Yr.	Avg.)			1.47
Total Sources	86,450,000	•		-	1,580,428 86,450,000						
OPERATING CASH FLOW		Year 1 Dec-2025	Year 2 Dec-2026	Year 3 Dec-2027	Year 4 Dec-2028	Year 5 Dec-2029	Year 6 Dec-2030	Year 7 Dec-2031	Year 8 Dec-2032	Year 9 Dec-2033	Year 10 Dec-2034
Townhome Proceeds	_	<u>Dec-2023</u>	<u>Dec-2020</u>	<u>Dec-2027</u>	<u>Dec-2028</u>	<u>Dec-2023</u>	<u>Dec-2030</u>	<u>Dec-2031</u>	<u>Dec-2032</u>	<u>Dec-2033</u>	<u>Dec-2034</u>
Units Sold		6	26	12		_	_				
Cumulative		6	32	44	44	44	44	44	44	44	44
Townhome Revenue		2,156,000	14,014,000	7,546,000	_	-	-	-	-	-	-
Commissions	3%	(64,680)	(420,420)	(226,380)	-	-	-	-	-	-	-
Sales Cost	2%	(43,120)	(280,280)	(150,920)	-	-	-	-	-	-	-
Net Proceeds		2,048,200	13,313,300	7,168,700	-						
OPERATING CASH FLOW											
Gross Potential Rent											
Rental Income		-	1,699,417	3,449,817	3,553,311	3,659,911	3,769,708	3,882,799	3,999,283	4,119,262	4,242,840
Other Income		-	185,320	399,461	411,445	423,789	436,502	449,597	463,085	476,978	491,287
Retail Income (Net of Expenses)			32,900	299,876	312,807	322,250	331,977	341,995	352,314	362,943	373,890
TOTAL GROSS POTENTIAL INCOME	60/	-	1,917,637	4,149,154	4,277,563	4,405,949	4,538,187	4,674,392	4,814,683	4,959,182	5,108,017
- General Vacancy and Credit Loss	6%		(108,506)	(247,014)	(254,136)	(261,222)	(268,506)	(276,048)	(283,832)	(292,203)	(300,364)
EFFECTIVE GROSS INCOME		-	1,809,131	3,902,140	4,023,427	4,144,727	4,269,681	4,398,344	4,530,850	4,666,979	4,807,653
Repairs and Maintenance		-	(32,868)	(66,722)	(68,724)	(70,785)	(72,909)	(75,096)	(77,349)	(79,670)	(82,060)
Payroll		-	(121,097)	(245,827)	(253,202)	(260,798)	(268,622)	(276,680)	(284,981)	(293,530)	(302,336)
General & Administrative Marketing		-	(11,533) (10,666)	(23,757) (21,651)	(24,470) (22,300)	(25,204) (22,970)	(25,960) (23,659)	(26,739) (24,368)	(27,541) (25,099)	(28,367) (25,852)	(29,218) (26,628)
Utilities		_	(75,910)	(158,718)	(163,479)	(168,383)	(173,435)	(178,638)	(183,997)	(189,517)	(195,203)
Contract Services		_	(38,974)	(80,285)	(82,694)	(85,175)	(87,730)	(90,362)	(93,073)	(95,865)	(98,741)
Capital Reserves		_	(16,600)	(33,698)	(34,709)	(35,750)	(36,823)	(37,927)	(39,065)	(40,237)	(41,444)
Management Fee		_	(45,086)	(95,748)	(95,748)	(95,748)	(95,748)	(95,748)	(95,748)	(95,748)	(95,748)
Insurance		_	(44,530)	(90,395)	(93,107)	(95,900)	(98,777)	(101,740)	(104,792)	(107,936)	(111,174)
Property Taxes		-	(50,583)	(115,909)	(137,844)	(151,345)	(155,885)	(160,562)	(165,379)	(170,340)	(175,450)
Ground Lease Payment		-	-	(155,000)	(155,000)	(155,000)	(155,000)	(155,000)	(155,000)	(155,000)	(155,000)
TOTAL OPERATING EXPENSES			(447,845)	(1,087,710)	(1,131,277)	(1,167,058)	(1,194,548)	(1,222,862)	(1,252,025)	(1,282,063)	(1,313,003)
NET OPERATING INCOME		-	1,361,286	2,814,430	2,892,151	2,977,668	3,075,134	3,175,483	3,278,825	3,384,916	3,494,650
Capital Expenditures			(45,130)	(97,279)	(100,197)	(103,203)	(106,299)	(109,488)	(112,773)	(116,156)	(119,640)
CASH FLOW FROM OPERATIONS		-	1,316,156	2,717,152	2,791,954	2,874,466	2,968,835	3,065,995	3,166,053	3,268,760	3,375,010
Annual Debt Servive			(533,365)	(2,133,460)	(2,133,460)	(2,133,460)	(2,133,460)	(2,133,460)	(2,133,460)	(2,133,460)	(2,133,460)
CASH FLOW AFTER FINANCING			782,791	583,692	658,493	741,005	835,375	932,534	1,032,593	1,135,300	1,241,550
NET CASHLOW: Townhomes + Apartment		2,048,200	14,096,091	7,752,392	658,493	741,005	835,375	932,534	1,032,593	1,135,300	1,241,550
-	DSCR			1.32	1.36	1.40	1.44	1.49	1.54	1.59	1.64
Figure in a Detail	Cash-on-Cash	7.9%	54.2%	29.8%	2.5%	2.9%	3.2%	3.6%	4.0%	4.4%	4.8%
Financing Detail Construction Loan	38,860,000		Permanent Loa	an .		28,875,000					
LTC ¹	45%		DSCR	an i		1.30					
Interest Rate ²	SOFR + 250 bps		LTV			50.50%					
			Interest Rate Term			5.85% 30 Years					
			181111			30 TedIS					

^{1 -} LTC is 60% of remaining costs after LIHTC Equity and RDA Loan

^{2 -} Average Interest Rate is 6.60%

CONSTRUCTION COSTS

DIAMOND DISTRICT - TOTAL PROJECT COSTS				
CONSTRUCTION COSTS		\$/UNIT	\$/SF	TOTAL
Land Costs				
Acquisition Cost				7,973,68
Closing Cost				159,47
TOTAL LAND COSTS			+ /	8,133,15
Construction Costs			\$/SF	TOTA
Apartment Building		335,039	278.78	55,616,50
Townhome Sales		275,000	128.99	12,100,00
TOTAL CONSTRUCTION COSTS		610,039	407.77	67,716,50
Soft Costs				
Architects & Engineers		10,462	11.46	2,146,91
Builder's Risk		3,350	2.97	556,16
Legal & Misc.		3,350	2.97	556,16
Development Overhead		6,701	10.20	1,909,69
Leasing / Pre-Opening		3,350	2.97	556,16
Soft Cost Contingency		210	0.19	34,85
Developer Fee		19,669	17.43	3,265,00
Total Soft Costs		47,093	48.18	9,024,96
Total Project Costs before Financing			455.95	84,874,62
Construction Loan Fees / Costs			2.02	379,14
Interest Reserve (% Avg Loan Bal) TOTAL PROJECT COST after FINANCING			13.33 471.30	2,496,22 87,750,00
			471.50	07,730,00
Apartment Building				
Parking Structure Units				23
Units				1
RSF				199,5
Site Area		A / 1 1 1 1 T	À /CF	93,5
CONSTRUCTION COSTS CORE AND SHELL		\$/UNIT \$/UNIT	\$/SF \$/SF	TOTAL TOTAL
Hard Costs	\$215 /SF	258,389	215.00	42,892,50
Site Work	\$10 /Site SF	5,633	4.69	935,00
Furniture & Fixtures	2.50%	6,460	5.38	1,072,31
	\$30,000 /Stall	42,289	35.19	7,020,00
HC Contingency	3%	9,383	7.81	1,557,59
Builder's Fee	4%	12,886	10.72	2,139,09
OTAL CORE & SHELL	-,-	335,039	278.78	55,616,50
oft Costs		333,033	270.70	33,010,30
Architects & Engineers	3.0%	10,051	8.36	1,668,49
Builder's Risk	1.0%	3,350	2.79	556,16
Legal & Misc.	1.0%	3,350	2.79	556,16
Development Overhead	2.0%	6,701	5.58	1,112,33
Leasing / Pre-Opening	1.0%	3,350	2.79	556,16
Total Soft Costs		26,803	22.30	4,449,32
otal Project Costs before Financing		361,842	301.08	60,065,82
- aumhamas				
Ownhomes Units				
RSF				2,2
Site Area CONSTRUCTION COSTS		Ć /LIAUT	Ċ/cr	93,8
and Acquisition		\$/UNIT	\$/SF	TOT
Acquisition Cost		181,220	85.00	7,973,68
Closing Costs		3,624	1.70	159,47
Total Land Acquisiton		184,844	86.70	
Core and Shell		\$/UNIT		8,133,15
Construction Costs		275,000		
			128.99	12,100,00
TOTAL CORE & SHELL		275,000	128.99	12,100,00
Soft Costs Architects & Engineers	5 On/	10 072	E 10	470 43
	6.0%	10,873	5.10	478,42
=		19 122	Q 5A	707 26
Other Soft Costs Total Soft Costs	10.0%	18,122 28,995	8.50 13.60	797,36 1,275,78

RETAIL

COMPARABLES





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



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



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



The Beverly

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

RETAIL INCOM	ME (NET OF EXPENSES	5)								
RETAIL INCOM	ΛE									
RETAIL BASE RENTAL INCOME % Pre-Leased										
SUITE	TENANT	LEASE START	<u>SF</u>	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%	<u>25.00</u>	25,000			
			18,800	Month 22	3.00%	22.17	416,800			
RECOVERY INCOM	<u>ME</u>		RECOVERY START	RECOVERY %	PRO RATA SHARE	REC./SF/YR	AMOUNT/YR			
Neighborhood G	rocery		Month 19	100%	40.4%	11.36	86,364			
Sit-Down Eatery			Month 21	100%	13.8%	11.36	29,545			
Fast Casual Eater	у		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%	<u>11.36</u>	11,364			
RECOVERY INCOM	ME		Month 19			9.67	181,818			
POTENTIAL RETA	IL INCOME						598,618			
- Retail Vaca	ancy and Credit Loss				7.00%	/SF/YR	(41,903			
EFFECTIVE GR	OSS REVENUE					29.61	556,715			
RETAIL EXPEN	ISES									
RETAIL OPERA	ATING EXPENSES		% FIXED	Expense Growth	UNIT/YR	/SF/YR	AMOUNT/YE			

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
<u>ASSUMPTIONS</u>				CALCULATION	•	•
Renewal Probability	30.0%	70.0%		Tenant Improvements	253,800	263,200
Average Retail Market Rent	23.00	22.17	/SF	Leasing Commissions	77,832	81,693
Tenant Improvements	45.00	20.00	/SF	Total Leasing Costs	331,632	344,893
Leasing Commissions	6.0%	4.0%		Leasing Cost/Yr	33,163	49,270
Lease Term	10 Years	7 Years				
Retail Leasing Cost Reserves					4.38	82,434

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

