

Hollins Market Plaza



Good Food § Good Place § Good People
Est. 1836



Hollins Market & Townhome Renovation Project
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Executive Summary

General Analysis

The Hollins Market neighborhood was originally known as the Hollins Park Community. Today, the neighborhood is known as Hollins Roundhouse. Hollins Market (a public market) is a contributing historic property within the Hollins Market Historic District. The public market was founded in 1836 by Joseph Newman, a piano manufacturer, and his brother Elias Newman. The market was destroyed in 1838 by a severe windstorm, and rebuilt, completed in 1839.

Hollins Market takes its name from a prominent Baltimorean, John Hollins, who was instrumental in securing a modern water supply system for Baltimore City in 1804. Originally the public market's structured buildings and three blocks of street vendors made the market the biggest of its kind in Baltimore City. Now the market consists only of inside stalls.

According to a healthy foods assessment of Baltimore City Public Markets there is an epidemic of chronic health problems faced by inner city residents including childhood and adult obesity, heart disease, diabetes, and high blood pressure due to poor food choices and the limited availability of healthy foods. Findings suggest several strategies to promote healthy eating including increasing the availability, affordability, and promotion of healthy foods and/or restricting or de-marketing unhealthy foods. During a site visit at Hollins Market, it appeared that large amounts of unhealthy prepared foods, produce, and meats are being sold and the market is only 50 percent occupied at the present time.

The Hollins Plaza Project will address this chronic health epidemic by offering services at the public market that will improve food choice. Hollins Market Plaza will not be a stand-alone project. It will be integrated into a major redevelopment project in the Poppleton neighborhood, just a block north of the Hollins Market neighborhood. The Poppleton community's Center\West Project will be an immense economic driver in the entire Southwest Baltimore community. This four-phase \$800 million redevelopment project will include 1,700-1,800 housing units and 100,000-200,000 square feet of commercial space. The Hollins Market Plaza will start and finish before Center\West is completed. The anticipated residents, employees and visitors of Center\West will also be customers of Hollins Market Plaza.

The community's housing stock is elegant, Italianate-style homes built for influential Baltimoreans and small alley houses on 30-foot wide streets built for working class and poorer Baltimoreans. The neighborhood is a few blocks away from Downtown, the Inner Harbor, major hospitals such as UMD Hospital System and Bon Secours, the Stadium District, and the University of Maryland BioPark.

Project Summary

For over 180 years, Hollins Market has served as a hub, connecting neighbors, families and visitors. The streets around the market's perimeter will be transformed into an entertainment plaza on the weekends for residents to enjoy. There is a unique and appealing experience when shopping and enjoying entertainment at a public market. The area will foster a renewed sense of place enhancing social integration in a public space. The market will be renovated along with 21 City-owned vacant properties that border the market; a project that will be a catalyst for future development in the neighborhood.

The public market is a historic structure in the district and must adhere to stringent rehabilitation guidelines. This project's development components are extensive and require negotiations with the City of Baltimore and community stakeholders. A public/private partnership (P3) will be formed to revitalize Hollins Market. A Community Benefit Agreement, signed by the developer and community association(s), will ensure community support and economic opportunities for the community and its residents. In the end, the project will be well worth the time and investment.

Market Analysis

The market analysis for the renovation of Hollins Market and several vacant Baltimore City-owned properties analyzes area strengths, weaknesses, and opportunities. The public market brings an appeal to the Hollins Market neighborhood that many neighborhoods lack. Information gathered provides insight on community household income, home values, housing occupancy, neighborhood points of interest, education levels, and other characteristics.

Regulatory, Zoning, and Public Approval Process

No zoning changes are required for the properties in the project. Several types of federal and State tax credits will be used to provide equity and significant social benefits. The tax credits will encourage private investment that will benefit the Hollins Market community. Support from the community and stakeholders is paramount to this project's success.

Design Analysis

Hollins Market Plaza requires a historically sensitive renovation that will modernize the market and add usable space. The architect has reconfigured the first floor to add food stalls and designed the unused second floor for office and meeting space. The market's second floor has not been used since the early 1970s. Throughout the design process, care will be taken to preserve the market's historic character. A typical two-story floor plan has been designed for the proposed affordable housing units on the periphery of the Market.

Financial Analysis

The project is an attractive long-term investment for investors seeking a generous return. It has two parts: the renovation of Hollins Market and the renovation of 21 townhomes that border the market. The commercial and residential renovations will be conducted concurrently. Financing details of Hollins Market Plaza include an extensive acquisition process from the City of Baltimore, unique forms of financing, tax credits, and potential municipal assistance. Financial budgets, a tax credit matrix, and a capital stack is included in the Appendix.

Construction Costs and Schedule

This is a substantial renovation project. Renovation will be completed in two simultaneous phases—commercial renovation of the public market and residential renovation of the 21 townhomes. The last permit of record for the public market was in 1984 for the first floor renovation. The public market will be upgraded using historic preservation and LEED guidelines. A LEED integrative process will be conducted by team members involved in every aspect of the project: owner, architect, engineer, general contractor, consultants, LEED BD&C AP, and facility manager. Team members will meet periodically to discuss project problems, formulate solutions, review responsibilities, and identify next steps. A historic preservation consultant, along with the LEED AP, will provide oversight to assure the general contractor and subcontractors follow the approved plans and specification requirements. The townhomes will be renovated using traditional construction methods.

Marketing and Management

Many Hollins Market shoppers are area residents who patronize it on a regular basis. Several loyal customers have shopped at the market since childhood. Marketing activities and strategies for the renovated market will be developed to bring new customers from within the community as well as from other neighborhoods. This applies, in particular, to the Poppleton neighborhood where a major development project is underway one block north of the public market, the Center\West Project, with 1,200 new townhomes and 1,800 rental units.

Partners

A successful public market's greatest strength is its connection with surrounding stakeholders, institutions, and businesses. A variety of partnerships have already been formed to support the Hollins Market to help carry out its mission and vision. Strong emphasis on community engagement, programs, and outreach will allow Hollins Market Plaza to become Baltimore's newest food market and entertainment destination. Partners will come from all over Baltimore City, from the government, institutions, and area businesses. The more partners Hollins Market can gather the more secure and valuable it will become.

General Context Analysis

Past

In the 1830s, an influx of English, Irish, and German immigration came to the community seeking employment and housing. It was an industrial neighborhood of workers employed at the B&O Railroad and Baltimore's shipping port, also known as the "dock." But the end of World War II was the end of Baltimore's industrial era. Massive layoffs in industrial fields significantly affected the neighborhood. Lithuanians and African Americans migrated into the community. In the 1960s and 70s the Hollins Market neighborhood drastically declined. Population declined, which created vacant and boarded-up homes around the community. In the 1960s and 70s, unlike other neighborhoods in Baltimore, Hollins Market did not experience a dramatic racial turnover. However, in the 1980s cocaine and other illegal drugs came into the community further devastating the fragile neighborhood.

Present, Future

Today, Hollins Market is an up-and-coming neighborhood. It is very diverse with neighbors of all ages, races, and socioeconomic backgrounds. Economically it is considered a low-moderate income community. The 2000 Census indicated that the Hollins Market neighborhood had become 60 percent Black and 34 percent White with strong Asian and Hispanic components. The 2010 Census indicated that the community's housing stock was 51.9 percent rental properties and 47 percent owner-occupied households. The neighborhood is also home to a growing business district.

Several new commercial and residential properties within and near the neighborhood have recently been completed, and other new construction projects are in the pipeline. Community residents are actively involved in making the Hollins Market community a great place to live, work, and play. The Hollins Roundhouse community association sponsors monthly COP walks, movie and music nights, as well as an annual Sowebo Fall Festival. A coalition of neighboring community groups has partnered with two institutions to make Southwest Baltimore a desirable place. Their areas of concentration are: public safety, the built environment, commercial development, shopping centers, and an improved quality of life for residents.

Union Square-Hollins Market Historic District

Hollins Market, rich in historic character, is in the center of The Union Square-Hollins Market Historic District, designated as a National Register Historic District in 1967 by Baltimore City and the State of Maryland. It is a diverse residential urban neighborhood in Southwest Baltimore; an area of spacious rowhomes and small alley homes. Neighborhood buildings range in character and size. There are several designated historic structures in the area.

Hollins Market

Hollins Market currently has 12 food vendors in operation in a 20-food stall building. The oldest food vendor is Jack's Poultry, operating in its second generation with a total of 70 years of service at the market.

First Floor: Community residents and visitors will be able to select a variety of healthy foods and enjoy a gathering place for weekly entertainment.

Second Floor: The market's second floor will be reopened as Hollins Hall with a 200+ seating capacity. A UMD Nutritionist Office will guide residents to healthy food alternatives. The public market will be renovated to address the environment, the building, and the community.

Market Analysis

Site Location and Neighborhood Context

The properties to be renovated are located in the Union Square-Hollins Market historic district at 26 South Arlington Avenue, in Baltimore City. The current use of Hollins Market, is retail and an income-producing public market.

The public market is historic and has long been a community anchor and local hub for community residents. It is situated on approximately 21,525 square feet of flat land with two existing buildings, totaling 26,520 square feet, on the site. The original structures were built in 1836 and are contributing properties in the district. The front building is a one-story structure, of concrete and wooden siding. The rear building is a two-story brick structure with a brick exterior. The roofs on both buildings are in good condition.

The first floor is used for the public market, and the second floor has been unused since the early 1970s. The public market has surface parking across the street on the north side and there are several on-street metered parking spaces around the market, which provide adequate parking.

The intersecting streets at the market site are Hollins Street on the north and south, Carrollton Avenue on the east, and Arlington Avenue on the west. Several one- to three-story commercial and residential properties have been restored while others are in disrepair. The area is a high-density urban community near Downtown Baltimore. Downtown land use is high-rise and midrise commercial, apartments, and condominium properties. Also, the Hollins Market neighborhood is included in the Poppleton Urban Renewal Plan (Map 2).

Hollins Market Plaza Project Description

Currently, Hollins Market has 20 stalls. The market is underutilized and in need of updated amenities. It will be renovated using LEED design elements and financed under

a public/private partnership with Baltimore City. The second floor of the rear building will be reopened for community use. Twenty-one one- to three-story vacant properties that border the public market will be acquired, renovated, and sold as affordable housing units. These vacant properties range between approximately 1,100 and 1,600 square feet.

Area Housing Typology

The housing typology is one-story commercial and two- to three-story residential properties. Commercial buildings above three stories are rare. The UMD BioPark is a six-story commercial property bordering the community. Most of the properties are rental units while others are owner-occupied or commercial. Many vacant properties can be seen throughout the community on both main and alley streets. The City of Baltimore has several neighborhood properties for sale under the Vacants to Value Program. ESRI data anticipate an uptick in area home values from 2015 to 2020.

Institutions, Schools, and Historic Sites

School-age residents in the Hollins Market community are assigned to the James McHenry Elementary School. The assigned middle school is the Southwest Baltimore Charter School. There are no high schools within the community boundaries, therefore high school students must venture out of the community to designated high schools.

Several private schools are within a mile of the subject site. The closest institutions of higher learning are the University of Maryland at Baltimore and Johns Hopkins' Peabody Conservatory of Music. ESRI indicates that at least 23 percent of the neighborhood population has a high school diploma and 19 percent have taken some college courses. The subject site is located within walking distance of the University of Maryland Health System and Bon Secours Hospital. These institutions are considered community anchors. Other institutions near the subject site are the VA Medical Center and Maryland General Hospital.

Linkages and Access

Both entryways to the market face two-lane residential roadways (one lane in each direction). The subject site is located in an area that has excellent access to major arterial thoroughfares such as West Baltimore Street (Route 70) and Pratt Street (Route 270). Route 395 to Washington, D.C. and I-95 are 10 minutes away. Public transportation runs along West Baltimore Street and Pratt Street with an MTA stop one block from the public market. The Maryland Transit Administration (MTA) has a circulator bus (Orange Route) service through the community. There is no charge for the circulator service. The MTA Metro and Light Rail stops are in less than one mile from the subject site. Residents are in walking distance of the UMD Medical Health System, VA Hospital, the downtown business district, and the Inner Harbor.

Businesses

The neighborhood has limited access to goods and services. Residents must venture outside the immediate area to obtain basic goods and services for daily living. Some businesses within the community have hours of operation by appointment only, while other businesses' hours are unpredictable. A few new food establishments serve tasty food and open on time on a regular basis.

Socioeconomic Demographic Context

Population

The subject site and vacant properties are located in zip code 21223. The sites border zip codes 21216, 21217 to the north, 21230 to the south, 21201 to the east, and 21229 to the west. The ESRI-estimated Census population within one mile, three miles, and five miles of the site for the year 2010 was 39,339, 251,922 and 557,460 respectively.

By 2020, the population within those same distances is projected to increase by 0.06 percent, 0.14 percent and 0.11 percent respectively. Baltimore City's population is projected to increase 1 percent by 2020 (Table 4). The population by Race/Ethnicity will increase by 2020 as seen in (Table 5). ESRI indicates that the 2015 median age in the primary market area (PMA) is 33.5 years of age (Table 6).

Households

In the Hollins Market neighborhood, the 2010 Census indicated rental units represent 51.9 percent of the households within the one mile PMA, and rentals represent 44.3 percent of household within five miles. ESRI estimates that by 2020, rental households will increase to 54.2 percent in both areas. Owner-occupied households between 2010 and 2020 will remain stable, between 17 and 18 percent. Households with two or more people make up the largest household type at 58.6 percent.

Income

The Hollins Market neighborhood is a low-moderate income district. ESRI anticipates that estimated household incomes within one mile of the subject site will increase from \$38,656 in 2015 to \$42,817 in 2020. Household incomes within five miles of the subject site will increase to \$62,807 by 2020 (Table 7).

ESRI also indicates that the average yearly discretionary spending index on food/groceries per 100 people within one mile of the subject is \$570.68, which is 51 percent of the national average spending potential index. The average spending index on food/groceries five miles from the subject is \$821.24, which is 74 percent of the national average spending potential index.

Psychographic Analysis

Nielsen's consumer lifestyle segmentation was used to yield Hollins Market neighborhood area residents' behaviors, spending habits, and preferences. Several segments were identified for this neighborhood.

The Hollins Market Neighborhood Segmentation is as follows:

- Midscale Middle Age Family Mix
- Downscale Mature Without Children
- Lower Middle Age Family Mix
- Downscale Mature Mostly without Children
- Lower Mid Middle Age Family Mix
- Low Income Middle Age Family Mix

People in the Midscale Middle Age Family Mix segment live in areas that are a mix of races, have midscale income, and heavy use of installment credit. They are users of auto loans and online banking. They have white collar service jobs, family-centered lifestyles, and watch cable TV.

People classified as Downscale Mature Without Children have little discretionary cash to travel or dine out. Their lifestyles are influenced by their children.

People considered Lower Middle Age Family Mix don't save much money. They go without automobiles or medical insurance. They are a radically diverse mix of middle-aged singles, couples, and families. They use debit cards at ATMs, listen to gospel music, and consume all types of Black and Hispanic media.

Downscale Mature Mostly without Children are downscale retirees. They live in older homes that they owned for years. They are elderly, retired, or widowed depend on Social Security. They lead quiet lifestyles with little money to travel or dine out. They watch a lot of daytime TV and live in diverse neighborhoods, usually nearly 50 percent African-American or Hispanic. They live on fixed incomes.

Low Income Middle Age Family Mix is a financially challenged group who live a modest lifestyle in a concentrated inner-city neighborhood. They spend their leisure time online, listening to the radio, and eating fast-food. This group is mostly younger, single parent families.

Employment/Major Employers

Given the site's proximity to Downtown, major employers were identified for Baltimore City's economy (Table 8). Over the last five years, the labor force has grown along with the overall regional economy. Baltimore City's economy declined in the early 2000s and the total labor force is gradually increasing. Some of the City's major employers are headquartered near the subject site. The University of Maryland Medical System has approximately 10,003 employees and is within walking distance of the subject site. The University BioPark is two minutes from the site has approximately 2,000 employees.

Retail Market and Competitive Analysis

Market Delineation

The primary market area's geographic boundaries have been selected to capture similar commercial and residential characteristics within the site area. No supermarket sales or sold comparables were available within the PMA. However, there were retail comparables selected outside the PMA (Table 9). Shoppers are area residents who patronize the subject site and other area stores.

Future residential and commercial properties near the subject site will boost the area's economy, bring additional shoppers to the area, and encourage residents to live in the community. For these reasons, there is a need to renovate the public market and the vacant properties around it.

Competitor Analysis

Several supermarkets and grocery stores have been identified within the defined market area. The supermarket centers identified are beyond the scope, size, and services offered by the subject site. However, they are still considered competitors of the market's business (Table 10).

Pipeline Properties

Path of Growth

The subject's market area is defined as southwest Baltimore. ESRI indicates that the PMA extends approximately five square miles around the site. The current path of growth to the subject site is to the west around the Downtown area where new commercial buildings have recently been completed and several new construction projects are in the pipeline. To the north of the subject site, in the Poppleton neighborhood, a 32.94-acre parcel will be developed with a four-phase mixed-use project that will create a higher demand for goods and services (Table 11). The total estimated cost of the project is \$800 million. ESRI also indicates that both the population and households in the PMA will increase.

Findings

Union Market in Washington, DC has a similar history to the Hollins Market. They both are historic, established in the 1800s. They both were the center of commercial life and a hub for the community. Both were banned from having outdoor stalls. In the 1980s both suffered from new suburban supermarkets. Union Market closed while Hollins Market remains in operation to this day. Union Market was renovated and has become the heart and soul of its district by bringing renewed spirit to the neighborhood. At the present time, Hollins Market is a substandard and underutilized public market. The Union Market in DC is a good example of what Hollins Market can become.

Creating Homeownership

Homeownership offers a long-term investment for the homeowner and the community. The security that of homeownership increases stability and helps homeowners feel a part

of their community. Homeownership also benefits communities. Homeowners are more likely to maintain their properties, thereby improving the neighborhood.

The Federal Hill neighborhood has a history similar to the Hollins Market neighborhood. It was a working-class neighborhood in Baltimore City. By the 1970s, businesses shut down, residents lost jobs, property values were low, and the community struggled. An urban homesteading program helped spur interest in rehabilitating homes and businesses. Today, with rising property values Federal Hill has seen an influx of new restaurants and shops. Streets that use to have vacant houses are now completely renovated. The Federal Hill neighborhood is an example of what the Hollins Market neighborhood can become.

Summary

The subject sites are located within the Hollins Market neighborhood in Baltimore City. Many residents in the Hollins Market neighborhood have proclaimed their loyalty to the market and community. Many community residents shop at the public market because they cannot venture outside of the community to other markets, while other residents are able travel outside of the community to shop. Renovating the public market and surrounding vacant properties will complement area redevelopment initiatives. The site's proximity to Downtown and major employers is an asset. The City of Baltimore and private investors are investing almost \$1 billion within Southwest Baltimore in public and private real estate development projects.

Southwest Partnership is a collaboration of six community groups. Its mission and vision is to change the neighborhood toward an upward transition. This project will help change the neighborhood, making it viable and experience positive growth in the future. It will also enhance the vibrancy of the public market by serving healthy, nutritious, affordable foods, providing entertainment, and creating a sense of community and place.

To many, Hollins Market brings back fond memories of long ago. A renovated Hollins Market will become a place where people can spend time with their neighbors and friends. There is a need to improve the efficiency of the foods to serve community households, to ensure the mix of foods sold represents the residents' diverse ethnicity, and to address the vacant, abandoned properties around the public market to revitalize the community.

Hollins Market Neighborhood



Market Site - Front Building



Market Site - Rear Building

Surrounding Land Uses

View Northeast of Hollins Market



View Southeast of S Carrollton Avenue



Surrounding Land Uses

View from South side of Hollins Market



View East of Hollins Market



View from North side of Hollins Market

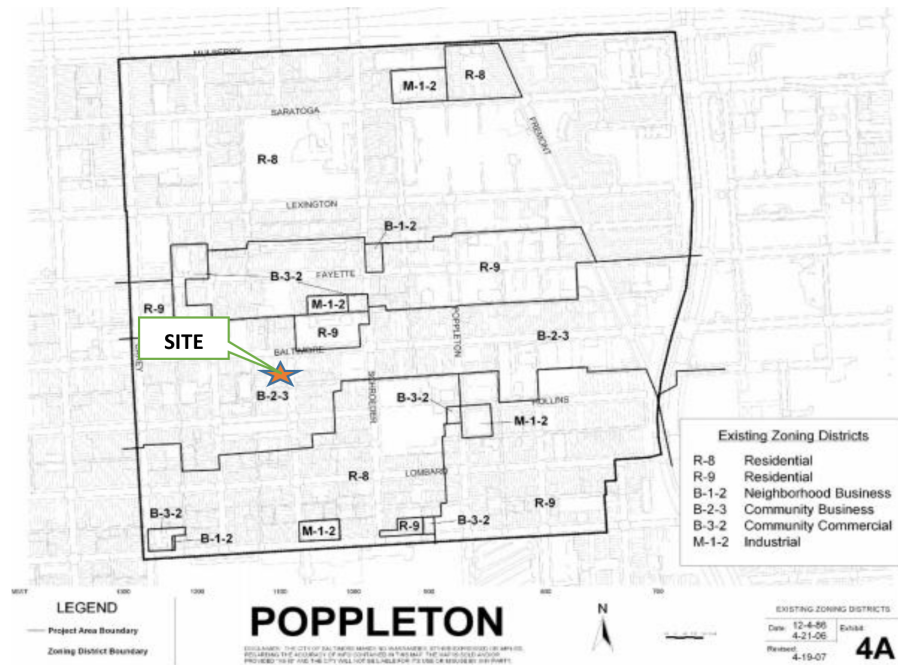


View from West side of Hollins Market



[illegible]

Source: Baltimore Cityview



Source: Baltimore City Planning Maps

Residential Comparables



26 Parkin St - Baltimore, MD 21201
3 beds 2 baths 1,397 sq.ft.

SOLD: \$173,469
Sold on 09/01/15

Source: Zillow



123 S Carrollton Ave - Baltimore, MD 21223
3 beds 2 baths 980 sq.ft.

SOLD: \$45,150
Sold on 05/20/15

Source: Zillow

Community Profile Information

Community Profile Information

Table 2 Average Home Value			
	Household Income		
	<u>1 Mile</u>	<u>3 Miles</u>	<u>5 Miles</u>
2015	\$ 152,713	\$ 178,407	\$ 203,095
2020	\$ 165,525	\$ 197,322	\$ 224,923

Table 3 Schools/Institutions/Hospitals/Historic Sites					
Schools	Name	Address	Zip Code	Time	Distance
1	John McHenry Elementary School	31 S Schroeder St	21223	1 Min.	0.14 mi.
2	Southwest Baltimore Charter School	1300 Herkimer St	21223	1 Min.	0.60 mi.
3	Franklin Sq. PK-8/Middle School	1400 W Lexington St	21223	1 Min.	0.50 mi.
Institutions					
4	UMD at Baltimore	620 W Lexington St	21201	5 Min.	1.30 mi.
5	Johns Hopkins Peabody Con of Music	1 E Mt Vernon Place	21202	6 Min.	1.79 mi.
Hospitals					
6	UMD Medical Systems`	250 W Pratt Street	21201	5 Min.	0.60 mi.
7	VA Medical Center	10 N Greene St	21201	5 Min.	0.60 mi.
8	Maryland General Hospital	827 Linden Avenue	21201	5 Min.	1.54 mi.
Historic Sites					
9	B&O Transportation Museum	901 W Pratt Street	21223	1 Min.	0.35 mi.
10	Lions Brothers Company Bldg	875 Hollins St	21201	1 Min.	0.36 mi.
11	Poppleton Fire Station	756-760 W Baltimore Street	21201	6 Min.	1.37 mi.

Community Profile Information

Table 4 Population & Household Trends									
	Population					Households			
	1 Mile	3 Miles	5 Miles	Baltimore City		1 Mile	3 Miles	5 Miles	Baltimore City
2010	39,339	251,922	557,212	620,961	2010	16,263	104,555	221,361	249,900
2015	39,244	252,883	557,460	625,000	2015	16,426	106,381	223,164	254,925
2020	39,354	254,631	560,543	364,000	2020	16,551	107,667	224,926	261,975

1 Mile	3 Miles	5 Miles	Baltimore City
0.98%	0.97%	0.98%	0.95%

Annual Household Growth Rate 2010 -2020

Table 5 2015-2020 Population by Race/Ethnicity						
	2015	2020	2015	2020	2015	2020
	1 Mile		3 Miles		5 Miles	
Total	39,243	39,353	250,884	254,632	557,460	560,543
White	20.0%	20.1%	28.2%	28.5%	32.4%	32.0%
Black	72.1%	71.0%	64.7%	63.5%	59.2%	58.4%
Asian	3.6%	0.4%	3.0%	3.4%	3.3%	3.7%
Hispanic	3.3%	4.0%	4.0%	4.9%	5.3%	6.3%
Other	1.4%	1.6%	1.5%	1.8%	2.3%	2.6%

Table 6 2015 Age Distribution								
	1 Mile		3 Miles		5 Miles		Baltimore City	
	Number	%	Number	%	Number	%	Number	%
Under 9	2,983	7.6%	17,196	6.8%	40,695	7.3%	48,750	7.8%
10 - 14 Years	2,512	6.4%	12,644	5.0%	28,988	5.2%	36,250	5.8%
15 - 24 Years	5,847	14.9%	36,668	14.5%	79,159	14.2%	89,375	14.3%
25 - 34 Years	8,045	20.5%	56,899	22.5%	127,101	22.8%	136,250	21.8%
35- 44 Years	4,906	12.5%	35,910	14.2%	86,964	15.6%	88,750	14.2%
45 - 54 Years	6,044	15.4%	33,886	13.4%	66,338	11.9%	83,750	13.4%
55 - 64 Years	4,513	11.5%	29,335	11.6%	61,878	11.1%	71,875	11.5%
65 - 74 Years	2,669	6.8%	17,955	7.1%	40,695	7.3%	39,375	6.3%
75 - 84 Years	1,256	3.2%	8,598	3.4%	18,396	3.3%	21,875	3.5%
85 + Years	471	1.2%	3,793	1.5%	7,247	1.3%	8,750	1.4%
	39,244	100.0%	252,884	100.0%	557,461	100.00%	625,000	100.00%
Median Age	33.5		34.1		34.8		34.7	

Community Profile Information

Table 7 Average Household Income				
	Household Income			
	<u>1 Mile</u>	<u>3 Miles</u>	<u>5 Miles</u>	
2015	\$ 38,656	\$ 50,481	\$ 55,763	
2020	\$ 42,817	\$ 57,095	\$ 62,807	

Table 8 Major Employers			
Rank	Company	Employed	Industry
1	Johns Hopkins University	21,550	Educational Services
2	Johns Hopkins Hospital and Health System	18,520	Health Care
3	University of Maryland Medical System	10,003	Health Care
4	University of Maryland at Baltimore	9,476	Educational Services
5	Medstar Health	6,160	Health Care
6	LifeBridge Health	5,026	Health Care
7	Mercy Health Services	3,992	Health Care
8	St. Agnes HealthCare	3,259	Health Care
9	Constellation Energy / BGE	3,116	Utilities
10	Kennedy Krieger Institute	2,200	Health Care
11	Veteran's Health Administration*	2,186	Health Care
12	Morgan State University	1,826	Educational Services
13	Future Care	1,773	Health Services
14	U.S. Social Security Administration*	1,600	Federal Government
15	Broadway Services	1,400	Professional & Business Services
16	T. Rowe Price Group	1,256	Finance and Insurance
17	U. S. Army Corps of Engineers*	1,208	Federal Government
18	M & T Bank	1,151	Finance and Insurance
19	Under Armour	1,132	Manufacturing
20	Loyola University Maryland	1,113	Educational Services
21	Laureate Education	1,055	Educational Services
22	Baltimore City Community College	978	Educational Services
23	Bon Secours Baltimore Health System	993	Health Care
24	Marriott International	900	Accommodation and Food Services
25	Abacus	900	Administrative Services


Source: Maryland Department of Business and Economic Development

Retail Comparables

Retail Comparables

TABLE 9

			
Inwood Shopping Center, 7518 Winchester Avenue, Inwood, WV 25428			
Building		For Lease	
Type	3 Star Retail Supermarket	Smallest Space	18,486 SF
GLA	18,486 SF	Max Contiguous	18,486 SF
Stories	1	# of Spaces	1
Typical Floor	18,486 SF	Vacant	18,486 SF
Docks	1 ext	% Leased	0%
Parking	100 free Surface Spaces are available; Ratio of 5.41/1,000 SF	Asking Rent	\$5.00/SF Triple Net
Frontage	164' on Winchester Ave (with 1 curb cut)	Space	
Taxes	\$0.54/SF (2015)	Floor	SF Available
Opex	\$0.27/SF (2011-Ext)	E 1st	18,486 SF
Walk Score®	Car-Dependent (46)	Use	Retail
Transit Score®	No Nearby Transit (0)	Rent	\$5.00/NNN
Land		Market Conditions	
Land Acres	3.93 AC	Vacancy Ratio	Current
Bldg FAR	0.11	Current Building	100% ↔ 0.0%
Parcel	07-6-00160023	Submarket 2-4 Star	5.8% ↔ 0.0%
Amenities		Market Overall	5.2% ↑ 0.2%
Pylon Sign		NNN Asking Rents Per SF:	
Public Transportation		Current Building	\$5.00 ↔ 0.0%
Commuter Rail	Drive Distance	Submarket 2-4 Star	\$13.40 ↑ 5.7%
Martinsburg Commuter Rail (Brunswick Line)	14 min 9.7 mi	Market Overall	\$11.56 ↓ 3.5%
		Submarket Leasing Activity	
		12 Mo. Leased SF	9,259 ↓ 92.0%
		Submarket Sales Activity	
		12 Mo. Sales Volume (M\$)	\$1.9 \$5.7
		12 Mo. Price Per SF	\$631 \$152

			
Woodlawn Shopping Center 8764-8786 Richmond Highway, Alexandria, VA 22309			
Building		For Lease	
Type	3 Star Retail Supermarket (Neighborhood Center)	Smallest Space	4,200 SF
GLA	10,402 SF	Max Contiguous	4,200 SF
Stories	1	# of Spaces	1
Typical Floor	10,402 SF	Vacant	4,200 SF
Docks	None	% Leased	59.6%
Frontage	104' on Richmond Hwy (with 2 curb cuts)	Asking Rent	\$20.00/SF Triple Net
Taxes	\$15.91/SF (2013)	Space	
Walk Score®	Somewhat Walkable (67)	Floor	SF Available
Transit Score®	Some Transit (41)	P 1st	4,200 SF
Land		Use	Retail
Land Acres	8.55 AC	Rent	\$20.00/NNN
Bldg FAR	0.03	Market Conditions	
Zoning	480	Vacancy Ratio	Current
Parcel	1092-01-0024	Current Building	49.4% ↔ 0.0%
Tenants		Submarket 2-4 Star	2.6% ↓ 2.2%
Name		Market Overall	4.5% ↓ 0.2%
Dono Azucena	SF Occupied	NNN Asking Rents Per SF:	
Subway	2,085 SF	Current Building	\$20.00 ↔ 0.0%
Mexico Lindo	1,460 SF	Submarket 2-4 Star	\$21.93 ↓ 8.3%
Amenities		Market Overall	\$24.49 ↓ 3.0%
		Submarket Leasing Activity	
		12 Mo. Leased SF	73,162 ↓ 12.7%
		Submarket Sales Activity	
		12 Mo. Sales Volume (M\$)	\$7.4 \$10.2
		12 Mo. Price Per SF	\$625 \$160

Source: CoStar

Competitors

Table 10 Competitors					
City Markets	Name	Address	Zip Code	Time	Distance
1	Lexington Market	400 W. Lexington St.	21201	4 Min.	0.91 mi.
2	Cross Street Market	1065 S Charles Street	21230	4 Min.	1.36 mi.
3	Avenue/Lafayette Market	1700 Pennsylvania Ave	21217	5 Min.	1.70 mi.
4	Broadway Market	1640-41 Aliceanna St	21231	11Min.	3.41 mi.
Grocery Stores					
5	PriceRite	1205 W Pratt Street	21223	1 Min.	0.19 mi.
6	Safeway	1206 W Pratt Street	21223	1 Min.	0.30 mi.
7	Save-A-Lot	1101 Pennsylvania Ave	21201	2 Min.	0.55 mi.
Shopping Centers					
8	Mount Clare Junction	1223 W Pratt Street	21223	1 Min.	0.30 mi.
9	701 Washington Blvd	701 Washington Blvd	21230	2 Min.	0.55 mi.
10	Westside Shopping Center	2413 Frederick Ave	21223	5 Min.	1.22 mi.
Historic Sites					
11	B&O Transportation Museum	901 W Pratt Street	21223	1 Min.	0.35 mi.
12	Lions Brothers Company Bldg	875 Hollins St	21201	1 Min.	0.36 mi.
13	Poppleton Fire Station	56-760 W Baltimore Street	21201	6 Min.	1.37 mi.

Source: ESRI

Commercial Pipeline Projects

Table 11 Area Pipeline Projects							
<u>Ongoing No.</u>	<u>Property</u>	<u>Address</u>	<u>Project Type</u>	<u>Project Description</u>	<u>Invmt Type</u>	<u>TDC</u>	<u>Distance From Site</u>
1	Hollins House	1010 W Baltimore St	Residential	Rehab Elderly	PPP	28,000,000	0.12 mi.
<u>Proposed</u>							
2	Wexford Science & Tech Bldg	873 W. Baltimore St	Institution	Lab/Office	PPP	?	0.29 mi.
3		875 W. Baltimore St	Office	BioPark	Private	?	0.28 mi.
4	Center/West	100/200 N Schroeder St	Residential	Mixed-Use	PPP	\$800M	0.24 mi.
<u>Completed</u>							
5		801 W. Baltimore St	Institution	BioPark	PPP	\$78M	0.22 mi.
6	Park Bldg Renovation-Union Sq.	Baltimore, MD	Park & Rec	Park Upgrades	Public	\$100,000	0.20 mi.
7	B&O Museum Pk & Playground Ren	906 W Pratt St	Park & Rec	Park Upgrades	Public	\$130,000	0.0 mi.

Source: ESRI

Regulatory, Zoning, and Public Approval Process

The Project

There are a number of complicated regulations and guidelines that must be undertaken for this renovation project. The regulatory, zoning, and public approval processes are discussed below.

Hollins Market regulatory requirements:

- Discussion with the City
- Zoning
- Urban Renewal Project Approval
- Project LLC Formation
- Formation of a Public/Private Partnership
- Community Benefits Agreement
- CHAP Approval
- Tax Credit Financing
- Permit Process

Townhome regulatory requirements:

- Discussion with the City
- Acquisition Process
- Zoning
- Urban Renewal Project Approval
- Permit Process

Detailed regulatory requirement processes for the renovation project are outlined below.

Discussion with the City (14 - 45 days)

To begin the predevelopment phase, the project needs to gain support from the City and community stakeholders. An online predevelopment meeting held at the Baltimore City Planning Department is the first step with the City. At that meeting, representatives of various Baltimore City departments responsible for reviewing and approving project plans will review the initial concept plan. If required, the developer and/or architect will be given recommendations to include in the project. The developer will have 30 days to respond to any recommendations and/or questions rendered during the review process.

Acquisition Process (4 - 8 months)

Twenty-one vacant, Baltimore City-owned properties bordering the market will be acquired for this project. The properties appear to be in fair condition. City-owned properties are administered by the Vacants to Value Program; interested buyers must file an application to purchase city-owned properties. Even though these properties are on a public list of available properties, they must go through an open bid process to ensure governmental transparency. After the bidder submits a property application, it is advertised for 14 days in a local newspaper and online. If no other parties are interested

after that period, the initial application will be given to Baltimore City Solicitor's office for review.

The bidder must illustrate that they have the ability to pay for the property and complete the rehabilitation. The solicitor's review process is 60 to 90 days. If all paperwork is in place, the property(s) is given by conditional award to the original bidder. A Land Disposition Agreement (LDA) is signed between the developer and the City; a 10 percent good faith deposit is required at signing. The LDA is given to Board of Estimates for final approval, which could take another 60 to 90 days. With community support, the acquisition process could be expedited.

Zoning (1 month)

All project properties have a by-right use, within a B-2-3 Zone (Community Business District [B2] and Community Commercial District [B-3]). No zoning changes are required for this renovation project. The B-2-3 Zone is intended to provide adequate area for the development of commercial uses that provide a healthful operating environment.

Per the Zoning Code, properties built before 1971 may have a "lawful non-conforming use." These non-conforming properties are exempt from new zoning rules and are said to have grandfather rights. The Baltimore City Zoning Department has previously reviewed all neighborhood properties to determine those that are grandfathered and those that are not. It has been determined that the rear 30-foot setback zoning requirement makes the Hollins Market noncompliant, but because the Market was built in 1836, the rear setback was grandfathered. Furthermore there are no front or side setbacks in this district.

B-2 Community Business District

Uses: retail and service establishments that deal directly with consumers. Goods produced on the premises must be sold at retail on the premises where produced

FAR: 5.0

Setbacks: front: none required, rear: 30 feet, side: none required

Lot Occupancy: determined by FAR, setbacks, and lot size

Height: determined by FAR, setbacks, and lot size

Parking: 1 space per 600 square feet of floor area in excess of 4,000 square feet
(Hollins Market = 36 required spaces)

B-3 Community Commercial District

Uses: B-2 uses and a wider range of uses permitted for both daily and occasional shopping

Permitted Uses: as in B-2, except business establishments are not limited to retail and service establishments

FAR: 5.0

Setbacks: front: none required, rear: 30 feet, side: none required

Lot Occupancy: determined by FAR, setbacks, and lot size

Height: determined by FAR, setbacks, and lot size

Parking: 1 space per 600 square feet of floor area in excess of 4,000 square feet

Project Site Zoning Map



Poppleton Urban Renewal Plan (30 - 60 days)

Urban Renewal Plans (URP) in Baltimore City date back to the late 1960s. These plans were adopted by the Mayor and City Council to establish and implement redevelopment in certain areas of the City. The plans cover four major areas: downtown, commercial corridors, industrial areas, and neighborhoods. They include authority for property acquisition, establish design standards, and make recommendations for land use and zoning changes.

The Hollins Market neighborhood is included in the Poppleton Urban Renewal Plan, which includes several objectives that impact the Hollins Market Plaza:

- To establish a positive and identifiable image for Poppleton Project Areas and to promote historic and architectural preservation.
 - To provide homeownership opportunities for diverse economic groups
 - To provide for the development of residential, neighborhood business, institutional, and public land uses.
 - To support development which provides the maximum feasible opportunity for the training and employment of community residents.
- To achieve a strong residential neighborhood including supporting commercial and public facility in the Poppleton Project Area.
- To keep to a minimum the involuntary displacement of individuals and families by providing, wherever possible, for residential rehabilitation.
 - Structures are proposed for rehabilitation where they are basically sound and appropriate for residential use. To increase the number of structures that can be rehabilitated economically and to provide additional environmental improvements.

- Community Business: Uses permitted under the B-2-3 Zoning Code of the Baltimore City Zoning Code including residential uses.
- Make residential properties available for low-moderate and market rate individuals and families.
- Sell or lease rehabilitated properties in conformance with the codes and ordinances of Baltimore City.

This not an all-inclusive list of plan objectives, and updates may occur periodically.

Hollins Market/Southwest Community LLC Formation (3 - 4 months)

The owner of Hollins Market is a governmental entity, Baltimore City. A governmental entity cannot receive tax credits. An LLC pass-through entity will be formed for this project to receive tax credits. The LLC will be structured to allow the tax credit investors/developer to control as much of the LLC as possible. LLC members would be the developer/investors (limited partner) and the community (general partner). The developer/investors will also sign a management agreement to manage the project.

Public/Private Partnership (P3) Formation (3 - 4 months)

A public/private partnership (P3) will be formed for this project and will include Baltimore City, the developer, and the community association in a partnership with other entities if required. The P3 will be instrumental in revitalizing the public market. This is a legally binding contract. The City should expect the following outcomes from the P3:

- All parties of the P3 have specific tasks to carry out.
- The government and partner entities together will ensure the best possible allocation of tasks and risk.

Community Benefits Agreement Formation (2 - 4 Months)

A community benefits agreement (CBA) will be formed between the developer and community organizations. This agreement is a legally binding contract and a win-win approach to community development. An up-front dialogue between the developer and the community organization will decrease the developers' risks that can negatively impact the project while maximizing the positive impact of the project. This agreement will alleviate concerns that the community may have about the project. The community organization will seek an active role in shaping the project. In signing the CBA, the community will agree to give its support to the project in exchange for the developer giving the community certain benefits. The agreement will outline the contributions to the community.

The following are expected outcomes for the CBA:

- In a P3, the project is more likely to be completed on-schedule than projects contracted out in the traditional way.
- The government will give partner entities freedom to invest in new technologies and innovative solutions.
- The total costs over the lifetime of the project are lower.
- The government knows exactly how much it will have to pay, and when. This will be useful in the developer's financial planning.
- Community benefits will help generate public support for project.

- The project will offer job opportunities for community residents and job training programs.
- The project will create affordable homeownership opportunities.
- Redevelopment will include green buildings and environmental remediation/clean-up at the public market.
- Public input results in a better project, one that benefits the Hollins Market community.
- The public market renovation will attract customers to the community.
- The CBA will hold the developer accountable for their promises to Baltimore City and the community.

Historic Review and Approval Process (2 - 4 months)

Every Baltimore City historic district and neighborhood has its own distinct character based on its buildings, historical character, and uses. The historic review and approval process for Hollins Market Plaza will be administered by the Commission for Historical and Architectural Preservation (CHAP). An application must be filed to begin the process during which CHAP will determine if the project adheres to agency guidelines.

A CHAP committee will review the design and development plans within 30 days of application submittal. If it finds any issues, the developer will have 30 days to make corrections. The committee can review the corrected plans or request that the full Commission review the plans, which can take another 30 days. A final decision is made on the project at a full Commission hearing.

None of the properties in this project will be demolished, however, interior demolition at the public market will be performed, specifically on the second floor. The demolition details are not available at this time because the second floor is not open and has not been used since the 1970s. A demolition plan review will take place during the CHAP Commission hearing.

To protect the market's historic characteristics, a historic preservation easement will be signed between the owner and the Maryland Historical Trust. This is a voluntary legal agreement, typically in the form of a deed, which permanently protects a significant historic property. Meeting CHAP guidelines does not indicate that the developer has met the requirements for other agencies.

Historic Tax Credits (3 - 6 months)

Historic tax credits will be used to create additional equity for the market's renovation. Federal tax credits are administered by the National Park Service (NPS) and are issued by the U.S. Department of the Interior. Since the building is considered a contributing historic structure within a historic district, the project is eligible for a 10 percent federal tax credit, calculated from the total Qualified Rehabilitation Expenditures (QRE). The QREs are described in the Internal Revenue Code and must be approved by a CPA. The National Park Service has developed guidelines that must be followed receive these tax credits. The compliance period for historic tax credits is five years. A lease pass-through structure must be formed to allow the owner (Baltimore City) to obtain the property depreciation and the lessee (Master Tenant) to obtain the HTC benefits.

Federal Historic Tax Credits: To receive federal historic tax credits, the recipient must follow a three-phase application process. Phase one is the Evaluation of Significance, which identifies the building's contribution to the historic district, by reviewing the building's location, design, materials, workmanship, and architectural character. Phase two is the Description of Rehabilitation, which is a review of the proposed work for conformance with the Secretary of the Interior's Standards. The QREs are identified and approved. Phase three is the Request for Certification of Completed Work, the final phase that approves the completion of rehabilitation work.

State Historic Tax Credits: The State's tax credits are applied to Maryland income taxes, and amount to a 20 percent credit with an additional 5 percent for projects that are high performance buildings. The public market will be a LEED Silver certified building. In this project, these credits can double the opportunity of receiving additional equity.

New Market Tax Credits (3 - 6 months)

The Hollins Market neighborhood is in a severely distressed census tract. New Market Tax Credits (NMTC) will help create additional equity to operate the public market. These tax credits are administered by a community development entity (CDE), The Community Development Finance Institute (CDFI) issues NMTCs to the CDEs. The NMTC application is divided into four categories: business strategy, capitalization strategy, management capacity, and community outcomes. The review process is in two phases. In phase one, the four categories are rated, scoring an additional five points if the applicant demonstrates a prior record of serving disadvantaged businesses or low-income communities. In phase two, CDFI staff will review phase one recommendations and score the application.

NMTCs will allow Hollins Market to be the central hub that it once was. NMTCs support job creation and encourage small businesses to expand. Acquiring NMTCs through the CDE provides affordable financing for low-income businesses. Meeting NMTC guidelines does not indicate that the developer has met the requirements for other agencies.

Renewable Energy Tax Credits (3 - 9 months)

It takes massive amounts of energy to operate the Hollins Market. To create additional equity, Solar Tax Credits will be used. The Maryland Energy Administration (MEA) administers Solar Tax Credits and provides small businesses with the help to make energy efficiency improvements and create renewable energy sources.

Solar shingles will be used to generate renewable energy at Hollins Market, specifically, to heat thousands of gallons of water and generate electricity to save on monthly energy bills. Rebates through BGE's Energy Solutions for Business Program provides financial incentives and technical assistance to help businesses maximize energy efficiency and reduce costs. Upon the installation and operation of the solar shingles, Solar Tax Credits are automatically received and there is no compliance period.

If purchasing the solar powered shingles is not financially feasible, a Power Purchase Agreement will be signed with a third party to provide them. Ineligible items will be identified and deducted from the project costs to determine the amount of Solar Tax Credits that are generated for the project.

Permit Process

Hollins Market (commercial) 4 - 6 weeks: A commercial building permit is required to renovate Hollins Market. After the drawings are completed, the architect will upload the construction drawings online to Baltimore City where a review process is conducted by appropriate municipal departments. This process will take approximately six weeks if no corrections are required. After the plans are approved, the plan is given a permit number, fees are paid and a building permit is issued.

Townhomes (residential) 1 - 2 weeks: A residential building permit is required for the townhome renovations. Architectural drawings are submitted to Baltimore City One Stop Shop Center. A plan review is conducted by the Zoning department. After the review, the permit is processed in approximately one week if no corrections are required. After the plans are approved, fees are paid and a building permit is issued. Only one permit is required for all 21 townhomes.

Summary

The project requires no zoning changes. Several types of tax credits will provide equity and significant social benefits. The use of tax credits is a way to encourage private investment that will benefit the Hollins Market community. Sensitivity to historic renovation and environmental practices will be addressed during the project planning process.

Support from the community and stakeholders is paramount for this project. Community involvement in this project will lead to a better project, happier community residents, and satisfied developers and investors. The most successful developers engage with the community before they move forward with their projects.

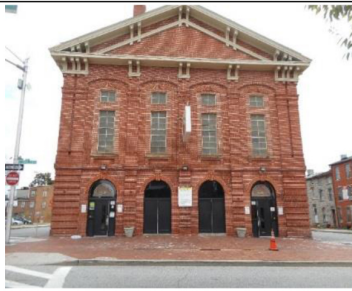
Design Analysis

Hollins Market Design

An architect has prepared a floor plan, schematic drawings, and perspective views included the Appendix. The market consists of 26,520 feet of space; however only the first floor is being used at this time. The new design will maximize the market's useable space. Food merchants will design their individual spaces in accordance with required governmental guidelines.

The second floor's plan includes an office, meeting space, commercial kitchen, and a family bathroom. On the weekend, the outdoor perimeter of the market, the Plaza, will be transformed into an inviting and safe public space for entertainment and unique merchants.

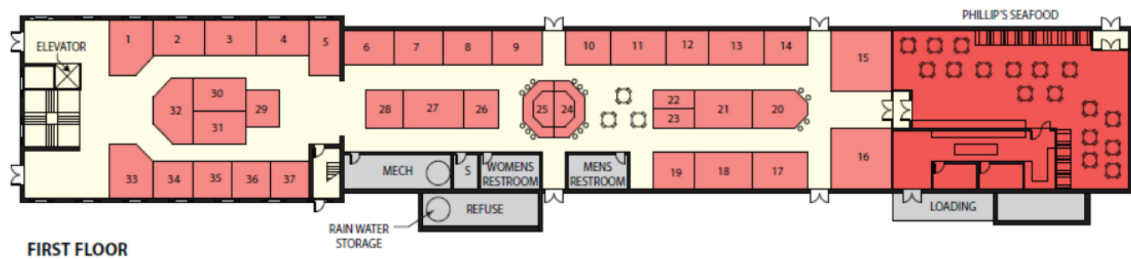
Hollins Public Market Design



Market Rear (West Elevation)

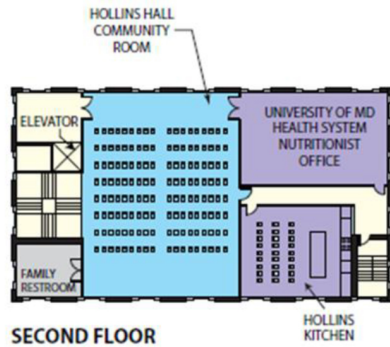


Market Front (East Elevation)



FIRST FLOOR

Reconfigured 1st Floor Floorplan



Cooking Class

Exterior

Brick Building (rear/west): The roof on the brick building appears to be in good condition. Solar shingles will be added to the south side of the roof. The second floor windows will be opened to let in daylight, a LEED strategy. No design changes will be made to the exterior walls.

Wood-Sided Building (front/east): The roof appears to be in good condition. No design changes will be made to the roof.

Interior

Hollins Market first floor: The floor plan has been reconfigured to maximize the number of food stalls. The schematic drawing shows an area for a strong anchor tenant, which will benefit the smaller merchants. At the present time, the first floor accommodates 20 food vendors, 17 additional food stalls, and one restaurant available for existing and new merchants. The new display cases will require less space, less electricity, and are wider, so customers can see the merchandise. They are also narrower, leaving more walking area for customers.

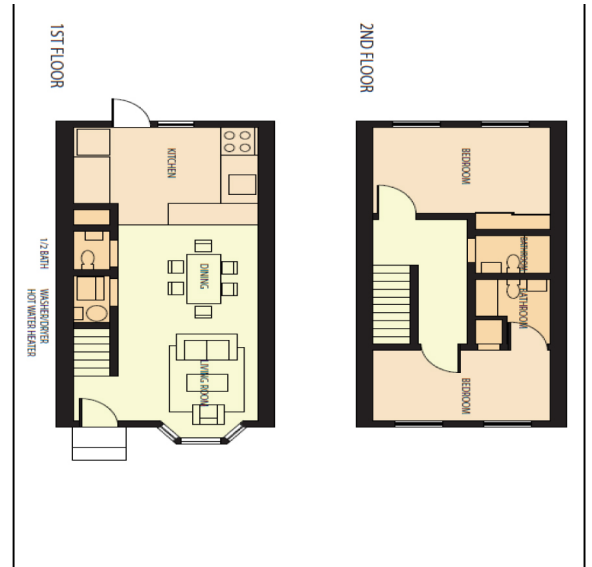
Hollins Market second floor: Renovation will open the second floor for community use. The University of Maryland Health System space will be designed for a nutritionist's office, based on design specifics given by the hospital. The Hollins Kitchen will be a licensed commercial kitchen with a seating area. Hollins Hall will be a community room space designed as a rental meeting area.

LEED

Hollins Market uses a great deal of water, heat, electricity, and refrigeration every day. LEED features will be used to generate renewable energy, conserve water, reduce energy consumption, reduce refrigerant emissions, and create a sustainable site. During a meeting with CHAP, it was determined that solar shingles could be installed on the historic building instead of solar panels. A rainwater harvesting system will be installed on the outside of the building, near the refuse area.

Townhome Design

The architect has prepared schematic drawings for a typical two-story townhome. The project is a mix of two-story, three-story units, some with storefronts. The townhomes' square footage ranges from 1,100 to 1,600 square feet. All the acquired townhomes will be individually designed for best possible use.



Exterior

The roofs, exterior walls, windows, and doors of the townhomes will be consistent with other townhomes in the area. No exterior design changes will be made.

Interior

First floor: The typical first floor plan is a standard floor plan for small townhomes. Varying with townhome size, the first floor rooms will include a living room, dining room, family room, kitchen, and half bath. The open floor plan will make the townhome appear free flowing.

Second floor: The second floor plan is a standard floor plan for small townhomes. The townhomes will have either two or three bedrooms, a main bathroom, or main and master bathrooms on the second floor.

Summary

The initial schematic designs help the developer/owner determine the project's goals and requirements. These drawings are drafted during a project's research phase to discover and address problems. The schematics also provide the developer/owner with a general idea of the project's appearance. Successful schematic designs depend on the architect's ability to develop an understanding of the owner's vision and intent.

Financial Analysis

The Project

The sponsor will seek an Opportunistic Investor for this project. Income, expenses, and renovation costs have been calculated separately.

Hollins Market Plaza's key financial assumptions are detailed below. The hold period for the public market is ten years. A public private partnership will be formed and all revenue will be given to the developer/sponsor for the entire hold period and the public market will revert to the Baltimore Public Markets Corporation in Year 10.

The townhomes will be sold and the proceeds distributed to investors early in the hold period (see chart below).

The total development cost for this project is \$9,248,661.00. The budget is included in the Appendix.

Sources and Uses

The sources and uses of this project have been allocated to separate the costs of the historic market renovation and the townhome renovation. The Historic Tax Credit basis to quantify the qualified rehabilitation expenditures (QREs) and New Market Tax Credits qualified equity investment (QEI) have been calculated to identify the eligible costs.

Funding sources and a capital stack show the amount and percent of project funds (see the chart below).

SOURCES	
Grants	
U.S. Dept of Health and Human Services	\$ 500,000
EPA	\$ 1,000,000
Maryland State DHCD - CBDG	\$ 1,000,000
Baltimore Development Corporation	\$ 25,000
Maryland Engery Administration	\$ 250,000
Tax Credits	
National Park Service - HTC	\$ 1,058,178
CDE - NMTC	\$ 1,443,443
MD Energy Adm. - Solar Tax Credits	\$ 500,000
Lender	
Bank of America	\$ 715,995
Maryland Affordable Housing Trust (MAHT)	\$ 821,045
Maryland Community Development Adm.	\$ 735,000
Investor Contributions	
Investor Partner	\$ 900,000
Sponsor	\$ 300,000
Total	\$ 9,248,661

Capital Stack
Equity
13% - \$1,200,000
Grants
30% - \$2,775,000
Lender
25% - \$2,272,040
HTCs
11% - \$1,058,178
NMTCs
16% - \$1,443,443
RTCs
5% - \$500,000

Hollins Market Renovation

The market renovation's permanent debt financing will come from a 25-year amortized loan with a 12 percent LTV at an interest rate of 6.00 percent from the Bank of America. The total permanent financing is \$715,995, which is eight percent of the total project cost.

Grants

The Hollins Market Plaza is heavily financed with grant funding. The Southwest Partnership has already identified several grants that will be used for this project, which are outlined in the chart above. Each grant has its own guidelines that must be adhered to throughout the renovation process and after completion. The developer, team members, and all parties involved will maintain open lines of communication to ensure all project needs are addressed. The total grant amount is \$1,525,000, which is 16 percent of the total project cost.

Equity

An Opportunistic Investor will be sought to invest in this project. This type of investor will invest in any type of assets. Private equity is necessary for a successful project. The investor returns are outlined below. The equity investor will invest \$1,200,000, which is 13 percent of the total project cost.

Tax Credits

The Hollins Market Plaza is heavily financed with tax credit funding. Historic, New Market, and Renewable Tax Credits will provide additional equity to assist with shortfalls.

Historic Tax Credits (HTCs) have a five-year compliance period and come in the form of federal and State tax credits. Maryland will give an extra five percent for high performance buildings. The market will have LEED Silver certification.

New Market Tax Credits have a compliance period of seven years, requiring all funding to be leveraged through a NMTC Matrix.

Renewable Energy Tax Credits are paid immediately, once the equipment is in place and operating.

The qualified rehabilitation expenditures for HTCs and NMTCs are calculated and the renovation requirements are established by the National Park Service. A Master Tenant Lease Structure will be developed that satisfies both HTC and NMTC requirements (see Appendix). As required by NMTCs, businesses located in low-income communities may also be located in severely distressed areas with high poverty and unemployment levels.

The total tax credit amount is \$3,001,621, which is 32 percent of the total project cost.

Hollins Market Renovation Costs

The market renovation will include historic preservation and LEED design elements. The Hollins Market is 26,520 gross square feet, with surface parking across the street—

approximately 36 spaces. The estimated commercial renovation cost is \$96.31 per square foot. The renovation per square foot cost estimate is obtained from the International Green Construction Code (IgCC).

Key Financial Assumptions

A snapshot of Hollins Market income and expenses include the NOI, DSCR, proceeds, returns, and pari passu distributable waterfall charts, which are in the Appendix.

The Total Development Cost for the public market renovation is \$5,842,616.

Townhome Renovation

Acquisition

The townhome acquisition process will begin with investment equity used to acquire City-owned properties through the Vacants to Value program. The sum for the 21 vacant properties includes land, buildings, and financing costs in the amount of \$643,614, which is seven percent of the project cost.

For these reasons, even though the properties are owned by the Mayor and City Council, liens are not always abated, which causes delays in conveyance. The properties will be conveyed in three groups of seven properties by a Land Development Agreement (LDA). Through the conditions of a public private partnership, the vacant properties are expected to be purchased at the assessed value instead of the appraised value. The figures below are values obtained from the Maryland Department of Assessments & Taxation.

Grants

The renovation and financing costs for the townhomes exceed HUD's maximum sales price for affordable housing. Community Development Block Grant Funds will be used to write-down the renovation costs and make the properties feasible for low-income persons to purchase. The grant amount is \$1,000,000, which is 11 percent of the total development costs.

Renovation Costs

The townhomes range from 1,100 to 1,600 square feet in a mix of two- and three-story units, some with storefronts. The residential renovation cost per square foot estimate, obtained from the International Code Council, is \$80.96 per square foot.

Loan Terms and Amortization

The permanent debt financing for \$821,045 will be a 25-year amortized loan with an interest rate of 4.00 percent. The funding sources are from the Maryland Affordable Housing Trust, which covers nine percent of the total development costs. The HOME Investment Partnership Program (HOME) share is \$735,000, eight percent of the total development costs. The HOME funds will be used as a deferred loan to write-down the renovation cost for the properties. HOME Funds have an affordability period of ten years.

Homeownership

The townhomes will be sold to low income and very low-income individuals. HUD's Area Median Income (AMI) for Baltimore City is \$89,600. The AMI for a low-income family is 80 percent of that, \$65,800. The AMI for very low-income for a family of four is 50 percent, \$44,800.

HOME requires the home sales price to be at a maximum of 95 percent of the area's median purchase price. The HUD purchase price for Baltimore City, at 80 percent for an existing property, is \$195,200. Therefore the townhome sales prices in this project range from \$135,000 to \$175,000.

Townhome Sales and Proceeds

The townhomes will be sold in groups of seven properties. The sales price will correlate with the unit type. The renovation and financing costs have been deducted from the gross sales, leaving the remaining proceeds to be distributed among the investor and sponsor.

Investor Returns

Key to the investors is the return on their money. The townhomes' proceeds have been calculated, which enable the distribution of the pari passu waterfall.

The Total Development Cost for the townhome renovation is \$3,406,045.

Exit Strategy

Townhomes

Townhomes will be renovated and sold in groups of seven (17 to low-income individuals and four to very low-income individuals). Townhome renovation and sales will be complete in approximately 18 months.

Hollins Market

The market will revert to the Baltimore Public Markets Corporation through a sale or refinance in ten years as detailed in the public private partnership. The chart below indicates a sale or refinance of the market at Years 5, 7, and 10 with all funds to be conveyed to the equity investor and sponsor.

Hollins Mkt Sale/Refinance	Year 5	Year 7	Year 10
Sales Price @ 8% Exit Cap Rate	\$ 4,608,811	\$ 4,889,488	\$ 5,342,875
Loan Balance	\$ 1,999,296	\$ 1,871,679	\$ 1,657,061
Net Cash Flow From Sale	\$ 2,609,515	\$ 3,017,808	\$ 3,685,814

It's likely that the equity investor will remain in the project for the full ten years. As an essential part of the project, financial institutions and the municipality will require all parties remain in the project until the ten-year hold time expires.

Summary

The most complicated portion of the project is that it is not one project, but two. Identifying funding sources for each project is the most important part of financing. What makes this project complicated is the type of funding required and adhering to all the guidelines.

To make the market renovation feasible it has to be funded heavily with grants and tax credits. The affordable housing portion of the project relies on grant funding, deferred loans, and subsidies, and low interest loans to make the project feasible. Affordable housing will be acquired, renovated, and sold in 18 months. The public market will be returned to the Baltimore Public Markets Corporation at the end of ten years through a sale or refinance. Finally, at the end of ten years, the equity investor must receive their initial investment as well as realize a reasonable return on that investment. The public market will be returned to the Baltimore Public Markets Corporation tripled in value.

Construction Costs and Schedule

Hollins Market Renovation

Hollins Market consists of two buildings: a one-story wood framed building with a shingle roof, and a two-story brick building with a shingle roof. The market is 26,560 square feet. Its renovation will take place while the market is in operation, and will not interrupt the flow of food vendors, deliveries, or customers. Industrial HEPA vacuum systems will be used to control dust, dirt, and any air contamination. During remediation and demolition, pollutant levels will be tested every other day for indoor air quality; during renovation air will be tested weekly. Noise and vibrations will be limited, not to interfere with market operations. Communication is key in letting management staff, food vendors, and customers know what's going on in the project.

Remediation

Asbestos is suspected in the building materials on the second floor. Materials such as roofing, insulation, vinyl floor tiles, and the blanket or tape on hot water and steam pipes will be remediated for environmental contamination. The asbestos remediation process is necessary prior to demolition.

Demolition

Substantial demolition will take place at the market. Specifically, there will be selective demolition on the second floor per historic preservation and LEED guidelines. Minor demolition will be performed on the first floor in areas to build-out the new floor plan. Demolished materials will be recycled if possible.

Recycling Construction Waste Material

Per LEED requirements the general contractor must develop and implement a construction and demolition waste management plan. The plan will focus on diverting waste from landfills by finding multiple alternatives for its end uses, namely recycling,

reuse on site, donation for reuse on another site, or resale.

Hollins Market Brick Building, Exterior: The rear building is 13,664 square feet. There will be 3,416 square feet of solar shingles installed on the roof's south side. The brick masonry will be cleaned and mortar repaired if necessary. Second floor windows will be replaced with new windows. New doors will be installed. All demolished materials will be recycled wherever possible and replaced with materials that are consistent with the historic time period. The elevation design has not been prepared at this time.

Hollins Market, Interior, First and Second floors: LEED design features and historic preservation renovation techniques will be used at the public market. Food vendors will design their individual spaces in accordance with LEED and historic preservation guidelines.

Hollins Market Wood Building, Exterior: The front building is 12,856 square feet. The roof appears to be in good condition; the general contractor will obtain a roofing certificate. New wooden planking will be installed over the existing exterior siding. New windows and doors will be installed. There will be a significant amount of design changes made to the building's exterior, but the replacement materials will be consistent with the market's historic time period. The elevation design has not been prepared at this time.

Hollins Market Parking Lot: The market has the Zoning Code's required 36 parking spaces. The existing parking lot adjacent to the market will be coated with asphalt and its spaces will be restriped.

LEED and Sustainability

The State of Maryland requires that all major renovation projects of 7,500 square feet or greater, and intended for occupation, earn LEED Silver certification. It is intended that Hollins Market will achieve the required LEED Silver certification by applying LEED design elements in the market's renovation. LEED sustainable features will generate renewable energy, conserve water, reduce energy consumption, reduce refrigerant emissions, and create a sustainable site. All demolished materials will be recycled per the construction waste recycle plan.

Some of the LEED features to be applied are:

- solar shingles
- water harvesting system
- low VOC products
- low emission refrigeration equipment
- LED lighting systems
- ASHRAE certified HVAC systems
- low energy display cases.

Total Market Renovation Costs

The total renovation cost for Hollins Market is \$3,649,102 estimated at a \$134.02 per square foot. The cost breakdown is included in the Appendix.

Townhomes

The 21 townhomes will be renovated in groups of seven. They range in size from 1,100 to 1,600 square feet, with a total square footage of 28,940. The townhomes are a mix of one-, two-, and three-story buildings, some with storefronts. Renovation of these properties will be substantial; some will have total gut renovation. All demolished materials will be recycled wherever possible.

Demolition

The type of demolition to be performed in the townhomes—substantial or moderate—will be identified on a unit basis. All demolished materials will be recycled whenever possible.

Exterior: The roofs, exterior walls, windows, and doors of the townhomes will be renovated per plans and specifications. All demolished materials will be recycled whenever possible.

Interior, first and second floors: The interiors of the townhomes will be renovated per plans and specifications. Energy Star appliances will be installed in each townhome. All demolished materials will be recycled whenever possible.

Total Townhome Renovation Costs

The total cost of townhome renovation is \$2,208,289 estimated at \$80.96 per square foot. A cost breakdown is included in the Appendix.

Permits

Permits are required in Baltimore City for new construction and renovation. There will be two permits to obtain for this project: a commercial permit for the public market, and a residential permit for the townhomes. The permits cost \$10,608 (commercial) and \$10,296 (residential). These permits will be obtained prior to the start of any work.

Generally, the renovation project will be inspected periodically during and after completion to ensure compliance with national, regional, and local building codes.

Summary

A renovation process does not begin at the physical construction of a building. It begins in the project's planning phase. Every construction project is unique, with its own milestones to achieve. By identifying synergies between systems, team members will save time and money in both the short and the long term while optimizing resource use.

The LEED integrative process can help avoid renovation delays and cost overruns. A successful LEED project requires coordinated teamwork from all team members and the project team must be willing to work hard to achieve the best possible result.

The townhomes will be renovated using construction industry standard traditional methods.

Marketing and Management

Hollins Market Marketing

The market's first floor has been reconfigured from the existing 20 food vendor stalls to 37 vendor stalls and one restaurant. The Baltimore City Public Markets Corporation has a list of food vendors interested in leasing market stalls. During the renovation lease-up period, interested food vendors will be contacted. During evenings and weekends the Hollins Market will be transformed into a flea market, farmer's market, and an entertainment plaza to draw residents from around Baltimore City.

Hollins Hall is a proposed second floor meeting and event space. It is an intimate setting with a kitchen and ample seating. The kitchen will offer culinary professionals a fully equipped and licensed commercial kitchen for a fee. Strayer University chefs will showcase cooking classes to community residents and visitors.

Also on the second floor, a UMD nutritionist's office will be marketed by the University Maryland Health Systems marketing department to promote the services offered, particularly addressed to community residents with chronic health problems created by poor diets and unhealthy lifestyle patterns.

Events at the public market will be used as marketing tools. A link on the Baltimore City Public Markets webpage will include a virtual tour of the market, rental applications, and rental rates. Social media will be used as well to market all services. Personnel will be hired to conduct marketing services throughout the project hold period.

When marketing Hollins Market to food vendors, marketing management will consider:

- expressing to food vendors that the public market is a unique opportunity to obtain better profit margins by selling directly to the consumer
- that the market allows food vendors to have a personal relationship with their customers.

Management should have a continuous marketing plan that tracks how strategies are performing and be ready to make changes where necessary. They should also meet regularly to monitor progress.

Pre-leasing

A few food vendor stalls are already in operation at the market. The market's new mission is to establish a healthy environment, and the tenant selection will reflect that mission. The market's reconfiguration has increased market stalls and open space by 50

percent. There will be a three-month, pre-leasing process starting in the last three months of renovation.

Management will attract an anchor tenant to Hollins Market, on the caliber of Nick's Fish House located at the Cross Street Market. Management proposes to be in discussion with a well-known seafood restaurant to be the anchor tenant at Hollins Market. The anchor has wide brand recognition that will draw other businesses to the market.

Lease-up

It is anticipated that the full lease-up will take approximately one year after renovation. Management will request prospective tenants' background, financial information, and the reason they feel the market is right for their business. All prospective tenants will submit a detailed list of items to be sold for management's approval. Tenants will not be allowed to add products at a whim. This will help maintain balance and competition within the market.

When leasing to food vendors, management will consider:

- type of lease
- rental rates
- terms of lease
- stall design
- hours of operation.

Operation and Management

During Years 1-10 a joint venture will be developed between Hollins Market Plaza, LLC and Baltimore City Public Markets Corporation to lease, manage, and operate the market for ten years from project start. Hollins Market Plaza, LLC will sign a ten-year lease with Baltimore City, payable at a nominal fee to be determined. All operating profits will go to the developer during this ten-year period.

During Year 1 renovation, the market will be partially leased. During Years 2-10 the public market is anticipated to be fully leased and in operation. From Year 11 onward, marketing and management activities will revert back Baltimore City Public Markets Corporation under a renewable 20-year lease for \$10 per year with Baltimore City. All operating profits thereafter will go to the City of Baltimore.

Townhome Marketing

Innovative strategies will be developed to market and sell the 21 affordable homes in the Hollins Market neighborhood. A project sign will display the townhome sales. At a minimum, display advertisement shall include the number of rooms on the first, second, and third floors, their sizes, townhome sales prices, location of the office where application forms can be obtained, and the office telephone number.

When marketing the affordable housing units, the types of outreach materials and marketing strategies will include:

- advertisements in local newspapers
- press releases
- public service announcements on radio and television
- homeownership workshops
- brochures and neighborhood newsletters
- social media
- a marketing plan that tracks how strategies are performing and that can be adjusted as necessary
- regular meetings to monitor progress
- partnerships with real estate agents and lenders
- outreach to area community organizations.

Community Association Participation

In the past, community associations have participated in marketing affordable housing developments in their communities. The Hollins Roundhouse Neighborhood Association will be asked to participate in marketing this project's townhomes. They will receive 25 percent of the marketing fee.

The community association will be asked to:

- hold information sessions for prospective homeowners
- educate the public about the townhome development
- handle the application and intake process.

Pre-sale

A three-month pre-sale process will start three months prior to renovation completion. During this period, applicants will be prequalified to determine affordability, which includes income levels and home prices. All required documentation will be submitted during this period.

Sales

A significant number of applications from eligible applicants will be compiled during the pre-sale phase. There will be an assigned HUD Approved Housing Counseling Agency to provide homebuyer education and give homeownership counseling certificates to applicants. The homes for sale will have a link on the community association's website for the home search process, which will include all the necessary documentation for home purchase.

The prospective homeowners will be low-income individuals at 80 percent of median Baltimore City home sales (\$188,000). Several properties have been purchased in the area for \$175,000 in 2015. In addition, the sales plan will prohibit discrimination in the sale, financing, or any other aspect of affordable housing on the basis of race, color, sex, religion, handicap, age, familial status/size, or national origin.

Summary

Executing an effective marketing strategy is essential to earning a customer's trust and creating a successful project. This project seeks to retain existing customers and gain new ones and will implement strategies aimed at retaining food vendors and customers. Prominent advertising programs are important to help find new tenants and promote the public market's services to new customers.

A collaboration of individuals and businesses must come together to develop marketing strategies for the affordable housing project. The development team must be committed to making homes in the community available to low-income individuals at below market-rate prices. The townhome marketing will provide a forum for communication, partnerships, and innovative solutions to address affordable housing needs in the community.

Partners

The greatest strength of a successful public market is its connection with surrounding stakeholders, institutions, and businesses. A variety of partnerships have been formed to support the Hollins Market in carrying out its mission and vision. A strong emphasis on community engagement, programs, and outreach will allow Hollins Market Plaza to become Baltimore's newest food market and entertainment destination. Partners will come from all over Baltimore City, and include government, institutions, and area businesses. The more partners Hollins Market can gather the more secure and valuable it will become.

The UMD Health System will partner by opening a UMD Nutritionist Office to serve community residents by addressing eating habits and better health choices. Nutritionists will advise community residents on what to eat to support a healthy lifestyle or achieve a specific health-related goal.

Strayer College will partner with the community by giving medically appropriate cooking demonstrations in the newly installed Hollins Kitchen. Chefs will share their skills and start-up entrepreneurs will be able to rent the kitchen. The Hollins Hall community room will offer a rental space for meetings and events.

From the following list of potential market partners, many have been deeply involved in the project already through public engagement efforts, focus groups, or individual meetings

Government and Public Partners

- City of Baltimore – Mayor's Office
- Economic Development, Department of Planning
- Baltimore Development Corporation
- Baltimore City Health Department
- Baltimore City Commission of Historic Preservation

Institutional Partners

- University of Maryland Health System
- Bon Secours Baltimore Health System
- University of Maryland School of Social Work
- University of Maryland BioPark
- Wexford Science and Technology
- Strayer College

Community Associations

- Barre Circle Community Association
- Franklin Square Community Association
- Hollins Roundhouse Neighborhood Association
- Southwest Mount Clare Community Association
- Pigtown Community Association
- Poppleton NOW Association
- Union Square Association

Area Businesses

- B & O Railroad Museum

Appendix

Hollins Market Plaza Financials

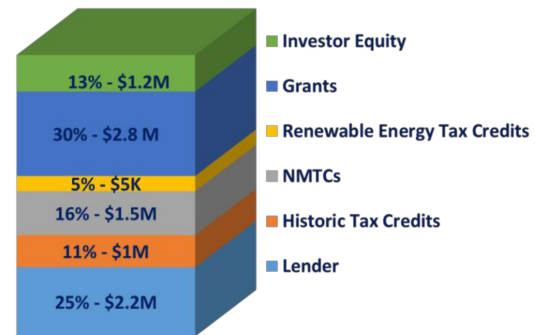
Project Budget

Renovation Budget			
Gross Land Area	21,480	SF - Hollins Market	
Gross Building Area	26,520	SF - Hollins Market	
Parking Spaces	36	Spaces - Hollins Market	19757 PKG LOT SF
Gross Land Area	26,320	SF - Townhomes	
Gross Building Area	28,940	SF - Townhomes	55460 MKT & TH SF
Acquisition	Amount	\$/SF Assumptions	
Land (Townhomes)			
Land Purchase	155,550	5.37	
Buildings Purchase	381,100	13.17	
Transfer Tax	8,050	0.28	1.5% Land & Building
Recordation Tax	8,050	0.28	1.5% Land & Building
Survey	5,000	0.17	
Title Insurance	16,100	0.56	3% Land & Building
Legal Fees	26,833	0.93	5.00% Land & Building
Other Misc. Closing Costs	42,932	1.48	8% Purchase Price
Total Land Costs	\$ 643,614	\$ 22.24	
Pre-Development			
Due Diligence Studies			
Phase 1	\$ 5,000	\$ 0.19	
Phase 2	5000	0.19	
Geotech	0.00	0.00	
Survey	5,000	0.19	
Title Report	5,000	0.19	
Market Studies	5,000	0.19	
Total Due Diligence Studies/Per Development	\$ 25,000	\$ 0.94	
Hard Costs			
Hard Costs			
Site Work	0.00	0.00	Covered in Construction
Demolition	0.00	0.00	Covered in Construction
Environmental Remediation (Market)	1,000,000	18.03	Covered in Due Diligence
Parking (Market)	10,000	0.51	Parking Lot Repair/Repaving/Striping
Market Renovation	2,499,102	94.23	2015 International Green Code Council (IgCC)
Tenant Improvements (UMD Nutritionist Office)	150,000		
FF&E (Market)	50,000	1.89	
Townhome Renovation	2,197,993	75.95	2015 International Code Council (ICC)
Hard Cost Contingency (Market & Townhomes)	242,855	4.38	5% of Hard Costs Contingency
Total Hard Costs	\$ 6,149,950	\$ 194.99	
Soft Costs			
Design			
Architect	376,568	6.79	8% of Hard Costs
Reimbursable Expenses	37,657	0.68	8% of Design Costs
Appraisal	13,500		
Legal	35,000		
Building Permit - Hollins Market	10,608	0.19	\$20 p/1,000 cu.ft. Baltimore City Permits
Building Permit - Townhomes	10,296	0.19	\$20 p/1,000 cu.ft. Baltimore City Permits
Townhome Marketing Fee	10,500	-	2% Townhome Purchase Price
Townhomes Sales Commissions	92,600	3.20	4% of Townhome Purchase Price
Hollins Market - LLC & Tax Credit Transaction Fees	382,000	14.40	Ilc 82000 /300,000 Transaction Fees
Marketing (Lease-up)	5,000		
Accounting (Start-up)	8,000		
Taxes (During Construction)	10,061	0.18	
Insurance (During Construction)	12,275	0.22	
Consultants (Historic Preservation/Construction)	35,000	0.63	
Utilities (During Construction)	7,500	0.14	
Syndication/Legal & Related Costs	22,500		
Application/Reservation/Allocation Fees	35,000		
Post-Construction Audit	9,500		
Soft Cost Contingency	\$ 139,868	2.52	20% of Soft Costs
Total Soft Cost	\$ 1,253,432	\$ 29.14	
Reserves			
Replacement Reserve	\$ 8,447		
Total Replacement Reserves	\$ 8,447		
Permanent Financing			
Permanent Financing			
Points & Fees (Origination)	\$ 44,589		
Transfer/Recording Fees	\$ 10,750		
Title Ins., Other Mgmt. Costs	\$ 7,850		
Total Permanent Financing	\$ 63,189		
Financing			
Construction Loan Interest	\$ 135,122	2.44	
Construction Points/Fees	\$ 45,041	0.81	
Total Financing	\$ 180,163	\$ 3.25	
Development Fees			
General & Administration Costs	369,946	6.67	6% of managed costs
Development Fees	554,920	10.01	4% of managed costs
Total Development Fees	\$ 924,866	\$ 16.68	
Total Development Costs (TDC)	\$ 9,248,661	\$ 166.76	

Hollins Market Plaza - Uses			
	%	SF	
Acquisition			
Land		\$	209,032
Building		\$	434,582
Total Acquisition Costs	7.0%	\$11.61	\$ 643,614
Hard Costs			
Hollins Market Renovation		\$96.31	\$ 2,554,088
Hollins Market Remediation			\$ 1,000,000
Townhome Renovation		\$80.96	\$ 2,342,980
Contingency			\$ 242,855
Total Hard Costs	66.4%	\$110.71	\$ 6,139,923
Soft Costs			
Total Soft Costs	11.0%	\$18.27	\$ 1,013,459
Financing			
Total Financing	2.5%	\$4.09	\$ 226,799
Hollins Market FF&E			
Total FF&E	3.2%	\$5.41	\$ 300,000
Developers Fee			
General & Administration			\$ 369,946
Development Fee			\$ 554,920
Total Developers Fee	10.0%	\$16.68	\$ 924,866
TDC	100%	\$	9,248,661

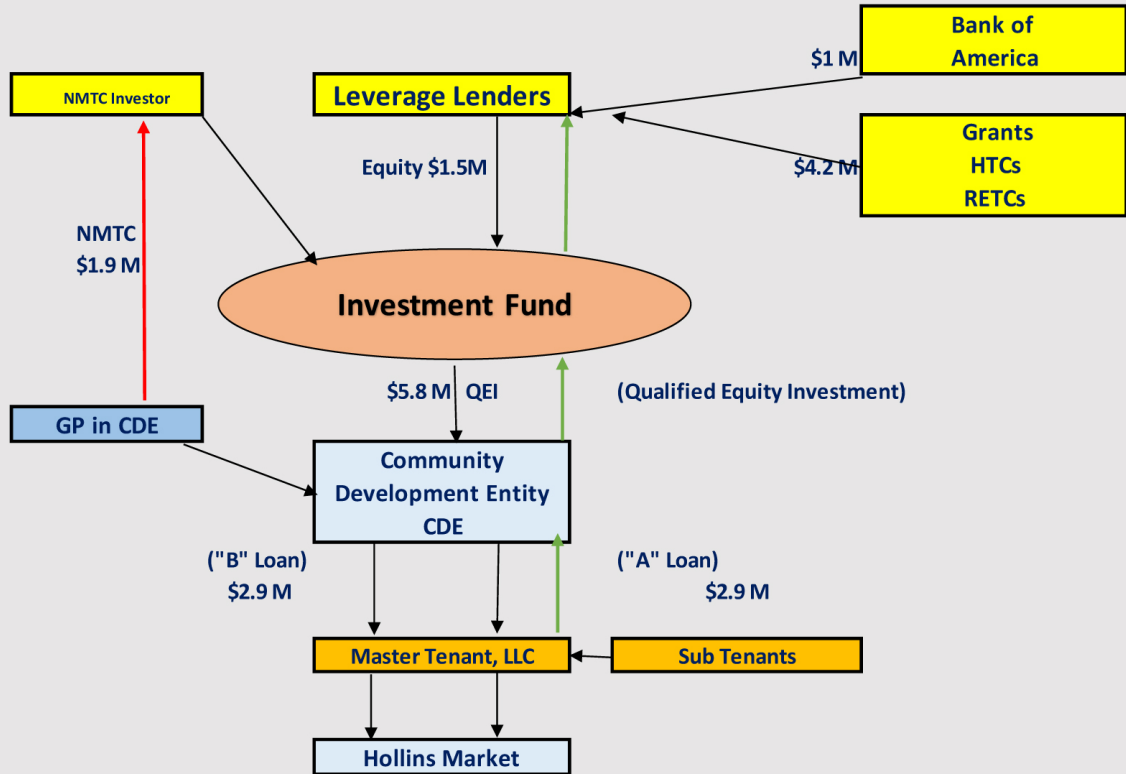
Hollins Market Financials

Sources - % of Renovation Cost	
Lender	25%
HTCs Equity	11%
NMTCs Equity	16%
RETCs Equity	5%
Grants	30%
Investor Equity	13%



Investor Equity		
Equity Investor	100%	\$1,200,000
Sponsor	0%	\$ -
Total		\$1,200,000

Hollins Market Plaza Project Hollins Market Master Tenant Lease Structure Matrix



	Construction	Stablization			Sale/Refinance
	Year 1	Year 2	Year 5	Year 7	Year 10
NOI	\$ (59,675)	\$ 337,417	\$ 368,705	\$ 391,159	\$ 427,430
DSCR		2.19	2.40	2.54	2.78
Proceeds (after liabilities)	\$ (213,594)	\$ 183,499	\$ 214,786	\$ 237,240	\$ 2,845,962

Yr 2 Market Stabilization
Yr 5 HTCs Recapture Period Ends
Yr 7 NMTCs Recapture Period Ends

10 Yrs
Property Reverts to
BPMC After Sale or
Refinance

Hollins Market Plaza Key Financial Returns	
Cash on Cash	7.3%
Equity Multiplier	8.9%
Unlevered IRR- All Cash	5.5%
Gross Levered IRR - Equity	27.7%
Equity Investor IRR	25.4%

Hollins Market Sale/Refinance YEAR 10	
Pari Passu Waterfall	
<u>Distributable Tranches</u>	
1st Investor Partner - 8.5% Preferred	\$241,907
2nd - Return on Equity	\$600,000
Residual	\$2,845,962
Equity Investor Return	\$1,292,565
Promote	
25% To Sponsor for Deal Making	\$711,491

Hollins Market Plaza Key Exiting Assumptions	
Sale/Refinance	Year 10
NOI - Year 10	\$ 427,430
Exit Cap Rate	8.00%
(Value @ 10 Years) Sale/Refinance Amount	\$ 5,342,875
Loan Balance	\$ 1,657,061
Closing Cost	\$ 213,715
Total Distributable Cash Flow After Sale	\$ 3,472,099

SOURCES OF EQUITY		
Investor	100%	\$600,000
Sponsor	0%	0
Total Sources	100%	\$600,000

	Total Profits	IRR
Unleveraged	\$2,755,667	4.3%
Gross Leveraged	\$3,393,301	17.2%
Investor	\$3,603,506	25.4%

Townhome Financials

TOWNHOMES SALES/EXPENSES/PROCEEDS				
Unit Type	Sales Price	Yr - 17	Yr - 17	Yr - 18
Unit Type - 1 Story (Comm) (A) - 2	\$175,000	1-A	1-A	
Unit Type - 2 Story (B) - 4	\$135,000	3-B		1-B
Unit Type - 3 Story (C) - 11	\$145,000		5-C	6-C
Unit Type - 3-Story Storefront (D) - 4	\$150,000	3-D	1-D	
Total Units 21		7 Units	7 Units	7 Units
	Gross Sales	\$1,077,954	\$1,047,954	\$1,052,954
	Expenses	\$709,970	\$709,970	\$709,970
	Proceeds	\$367,984	\$337,984	\$342,983
Total Proceeds				\$1,048,950

TOWNHOME SALES SCHEDULE				
YEAR:	Yr - 1 thru 2	Yr - 2	Yr - 2	Yr - 3
	RENOVATION START thru COMPLETION 15 Months	7 HOUSE	7 HOUSES	7 HOUSES
BUILDING TURNOVER:		7 HOUSE	7 HOUSES	7 HOUSES
21 TOWNHOME SALES				

Hollins Market Plaza Townhome Returns	
Cash Flow to Partner Investor/Sponsor	
Equity Investor - (Equity Return)	\$ 600,000
Equity Investor - (Preferred Return 8.5%)	\$89,161
Equity Investor - (Proceed Split 80%)	\$328,631
Sponsor (Proceed Split 20%)	\$82,158
Total Proceeds	\$1,048,950

Hollins Market Perspective



Designer: Matthew Miller

Hollins Market Construction Costs and Schedule

HOLLINS MARKET PLAZA Hollins Market Construction Cost

Date 11/19/2015

Hollins Market

GSF 26,520
Plan Date 3/21/2014
Units 1
Stories 2
Schedule 18 Months

Division	Description	Total Value	PSF	Unit Cost
1	General Requirements	72,982	\$ 2.75	72,982
2	Site Work	257,000	\$ 9.69	257,000
2A	Remediation	1,000,000	\$ 37.71	1,000,000
3	Concrete	85,000	\$ 3.21	85,000
4	Masonry	65,000	\$ 2.45	65,000
5	Metals	45,000	\$ 1.70	45,000
6	Wood & Plastic	65,000	\$ 2.45	65,000
7	Thermal & Moisture	205,218	\$ 7.74	205,218
8	Doors & Windows	150,000	\$ 5.66	150,000
9	Finishes	120,000	\$ 4.52	120,000
10	Specialties	65,000	\$ 2.45	65,000
11	Equipment	255,000	\$ 9.62	255,000
12	Furnishings	50,000	\$ 1.89	50,000
13	Special Construction	48,638	\$ 1.83	48,638
14	Conveying Systems	250,000	\$ 9.43	250,000
15	Mechanical	275,000	\$ 10.37	275,000
16	Electrical	350,000	\$ 13.20	350,000
Subtotal		3,358,838	\$ 126.65	3,358,838
Overhead 3%		74,973		
Profit 5%		124,955		
Bond Costs		54,737		
Permit Cost		10,608		
Builders Risk Insurance		24,991		
Total		3,649,102	\$137.60	\$126.65

HOLLINS MARKET PLAZA Townhomes Construction Cost

Date 11/19/2015

Hollins Market

GSF 28,940
Plan Date 3/21/2014
Units 21
Schedule 18 Months

Townhomes

1 Story 700
2 Story 1,100
3 Story 1,600
3 Story w Storefront 1,600

Division	Description	Total Value	PSF	Unit Cost
1	General Requirements	\$ 43,960	\$ 3.52	\$ 2,093
2	Site Work	\$ 145,000	\$ 5.23	\$ 6,905
3	Concrete	\$ 160,000	\$ 5.53	\$ 7,619
4	Masonry	\$ 155,000	\$ 5.36	\$ 7,381
5	Metals	\$ 115,000	\$ 4.97	\$ 5,476
6	Wood & Plastic	\$ 132,928	\$ 5.59	\$ 6,330
7	Thermal & Moisture	\$ 200,000	\$ 6.91	\$ 9,524
8	Doors & Windows	\$ 168,296	\$ 5.82	\$ 8,014
9	Finishes	\$ 175,000	\$ 7.05	\$ 8,333
10	Specialties	\$ 152,000	\$ 6.25	\$ 7,238
11	Equipment	\$ 165,000	\$ 6.70	\$ 7,857
12	Furnishings	\$ -	\$ -	\$ -
13	Special Construction	\$ -	\$ -	\$ -
14	Conveying Systems	\$ -	\$ -	\$ -
15	Mechanical	\$ 202,000	\$ 6.98	\$ 9,619
16	Electrical	\$ 175,000	\$ 6.05	\$ 8,333
Subtotal		\$ 1,989,184	\$ 75.95	\$ 94,723
Overhead 3%		65,940		
Profit 5%		109,900		
Bond Costs		32,970		
Permit Cost		10,296		
Builders Risk Insurance				
Total		\$ 2,208,289	\$ 83.52	\$68.73

Sources

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<http://www.esri.com/>

Nielson MyBestSegments

https://www.claritas.com/MyBestSegments/Default.jsp?ID=30&menuOption=segmentexplorer&id1=2000&prevSegID=1027&filterstate=&sortby=segment_code

Baltimore City Anchor Plan - A COMMUNITY AND ECONOMIC DEVELOPMENT STRATEGY

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Baltimore City Planning

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Baltimore City Anchor Plan

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Southwest Baltimore Discusses Master Plan

<http://www.cphabaltimore.org/2014/02/southwest-baltimore-discusses-master-plan/>

DC's Union Market: A Food Hall Rebuilt From Scratch Following a Fire

<http://www.bonappetit.com/people/out-of-the-kitchen/article/union-market-washington-dc>

Federal Hill

https://en.wikipedia.org/wiki/Federal_Hill,_Baltimore

Architectural Renderings – Matthew Miller-Architect

Healthy Foods Assessment: Baltimore City Public Markets

<http://archive.baltimorecity.gov/Portals/0/agencies/planning/public%20downloads/Recent%20Food%20Assessment.pdf>

Maryland Department of Assessment and Taxation

<http://www.dat.state.md.us/>

U.S. Department of Agriculture

<http://www.ams.usda.gov/services/grants/fmpp>

HHS CED

<http://www.acf.hhs.gov/programs/ocs/programs/ced/ced-grantees>

Environmental Protection Agency

<http://www2.epa.gov/superfund>

<http://rafiusa.org/grants/>

Maryland Department of Housing and Economic Development

<http://www.neighborhoodrevitalization.org/Index.aspx>

The Preservation Maryland Heritage Fund

<http://www.preservationmaryland.org/programs/heritage-fund/>

HOME-CDBG Guidebook

<https://www.hudexchange.info/resources/documents/HOME-CDBGGuidebook.pdf>