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Advisor: Kristi Adams  
Architect: Anthony Pins  
Mentor: Robert Kaufman

PRESENTED BY: Shuchun Wang



# ANCHOR W

## Baltimore

*Ideal Urban Living with Affordability*

Design By: Anthony Pins



# Outline

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- Vision & Mission
- Site Overview
- Opportunity and Activity
- Design
- Financial Summary
- Conclusion



# VISION & MISSION

Improve the Quality of  
Life, the Building and  
Natural Environment

- Transform vacant land
- Provide work-life balance for emerging demographic
- Develop general-service retail for existing needs
- Preserve historical-architectural elements
- Bring new energy into the streetscape
- More green and open spaces

Improve Access to  
Economic Opportunities  
in the Area

- Capitalize on revitalization efforts brought by anchor institutions
- Work with neighborhood policing and foot patrols
- Develop resident/business street cleaning teams
- Install security system to protect tenants
- Use tax credit equity to minimize reliance on debt
- Bring other developments



# SITE OVERVIEW





# NEIGHBORHOOD BACKGROUND



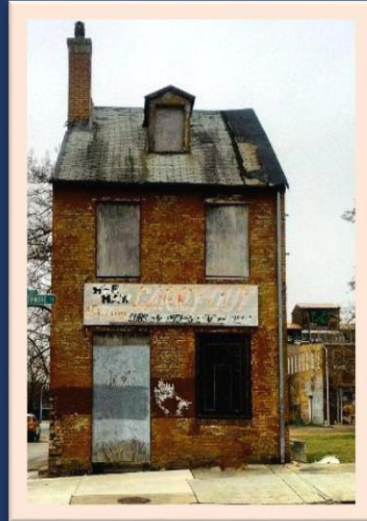
- Industrial neighborhood housing workers in Southwest Baltimore
- Blighted with vacant properties and declined population

- BioPark located in the area in 2000s
- Two anchor institutions in two ends of W Baltimore St.
- Hollins Market within walking distance



# SITE VIEW

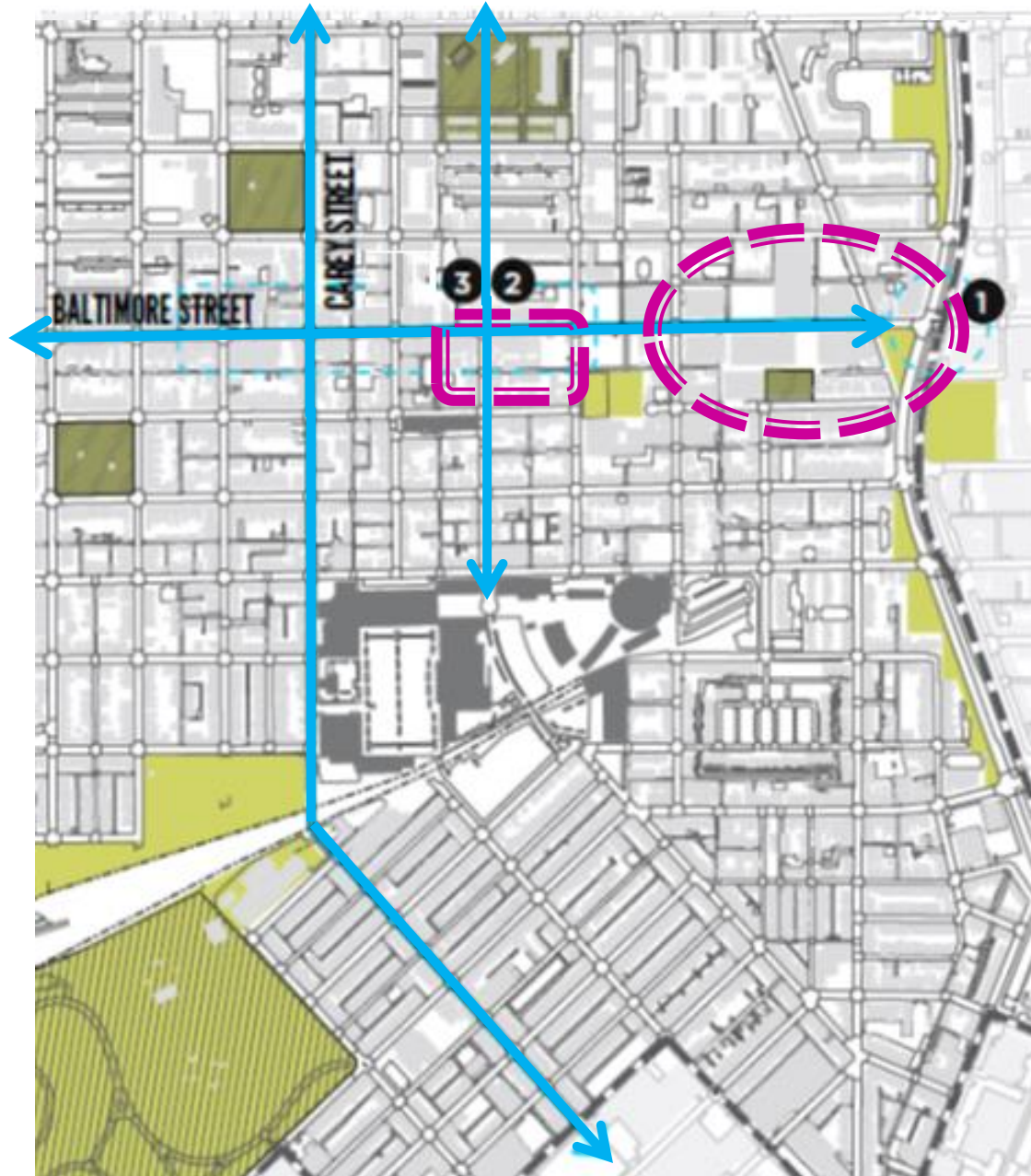
- 923-1001 W Baltimore St.
- Land: 45,993SF
- Current Use:
  - 6 row houses
  - An Arch
  - A dilapidated building





# Project Overview

- Adjacent to BioPark
- Baltimore St. & Schroeder St.
- Proposed Use:
  - 2 bldgs: The A + The E
  - 17,335 1<sup>st</sup> floor retail
  - 112 rental apartments
- TDC: \$26.43M
  - The A (W. site): \$11.01M
  - The E (E. Site): \$15.42M

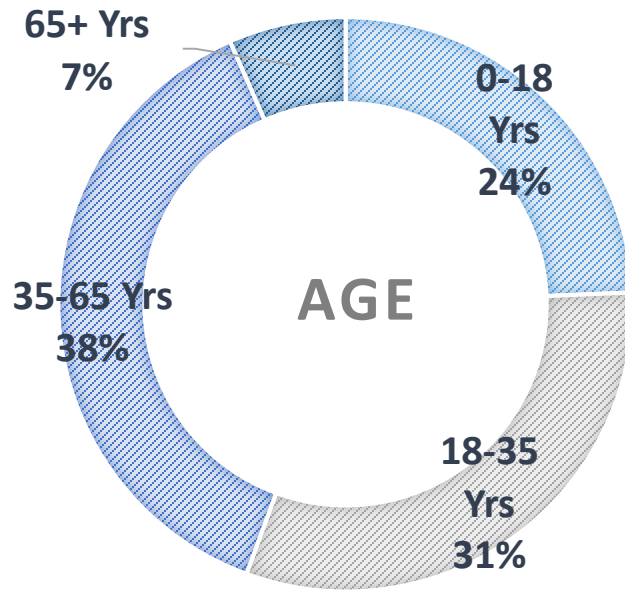


Arch

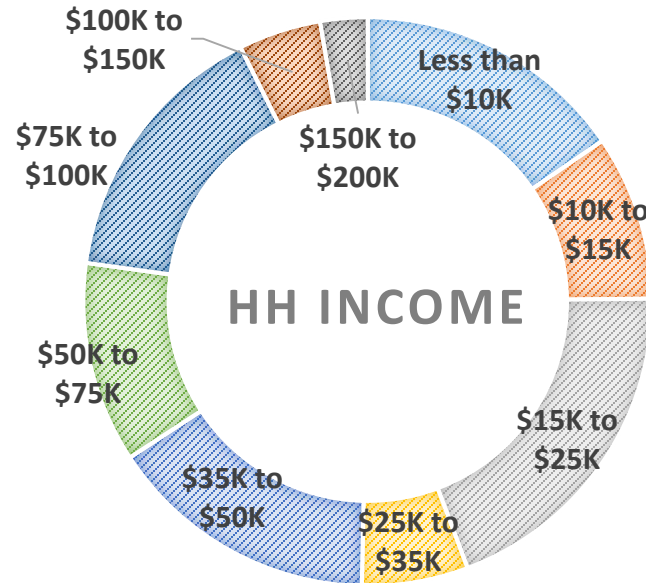


East site

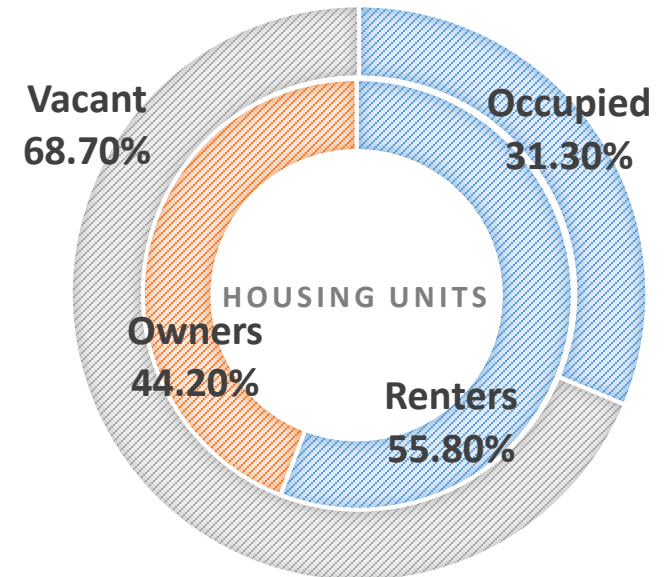
# SOCIOECONOMIC CONTEXT



- 1,675 people /780 households
- 31% young adults vs. 7% seniors
- **Appealing to the young**



- Median household income \$38,371
- 60% HH Income  $\leq$  \$35,000
- **Not luxury housing market**



- 1,135 housing units
- 50% renters spend more than 35% of household income on rent
- The median rent of this area is \$852
- The median price of homes \$170,000
- **Rental market**



# PRIMARY ISSUES

- Large number of vacant buildings
- Lack of amenities to draw diverse populations
- Resident & worker retail needs are not met
- Poor lighting, signage & wayfinding features
- Lack of regular maintenance
- Perception of crime
- Lack of pedestrian and bike connectivity

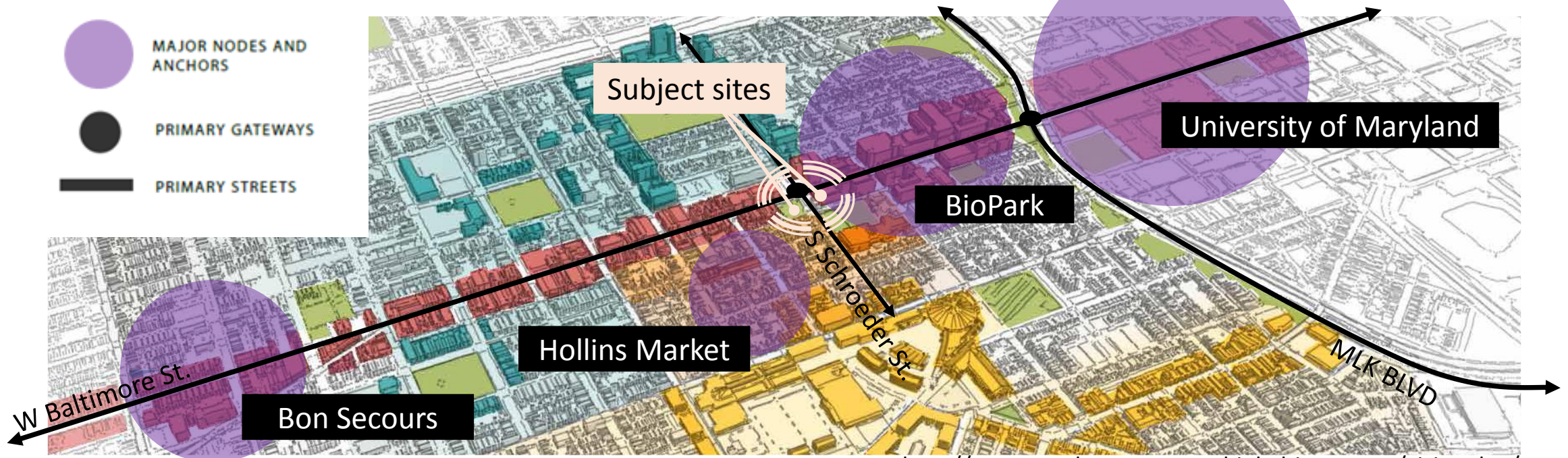




# ANCHOR INSTITUTIONS = ASSETS

- Rental Demand & Supply
- 25,000 employees & 4% annual growth
- 44% of Baltimore's total employment in Downtown
- No new development since 2005
- Average vacancy rate  $\leq 5\%$

- Retail Supply & Demand
- Lack of basic retail services
- No similar retails in pipeline
- Existing large customer base:  
Employees + Residents





# MIXED-USE MIXED-INCOME DEVELOPMENT

## Phase 2

### The E (East site)

56 Apts/10% Affordable

9,665 SF Retail

42 Parking Spaces

11 months to lease up

15,430 SF/Floor, Wood  
Residential



22,215 SF/Floor, Podium

Retail + Parking + Lobby

12,335 SF/Floor, Wood  
Residential



16,535 SF, Podium

## Phase 1

### The A (West Site)

56 Apts/10% Affordable

7,670 SF Retail

16 Parking Spaces

10 months to lease up

1/16-2/17 Entitlement

3/17-3/18 Construction

3/18-5/18 Pre-leasing

5/18-12/18 Lease-up

## Phase 2: The E

## Phase 1: The A

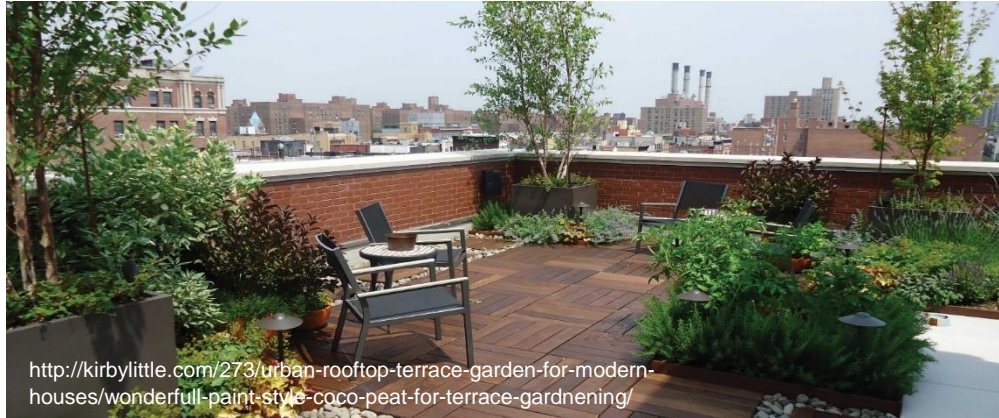
11/18-11/19 Construction

12/19-10/20 Lease-up

10/20-10/24 Sale



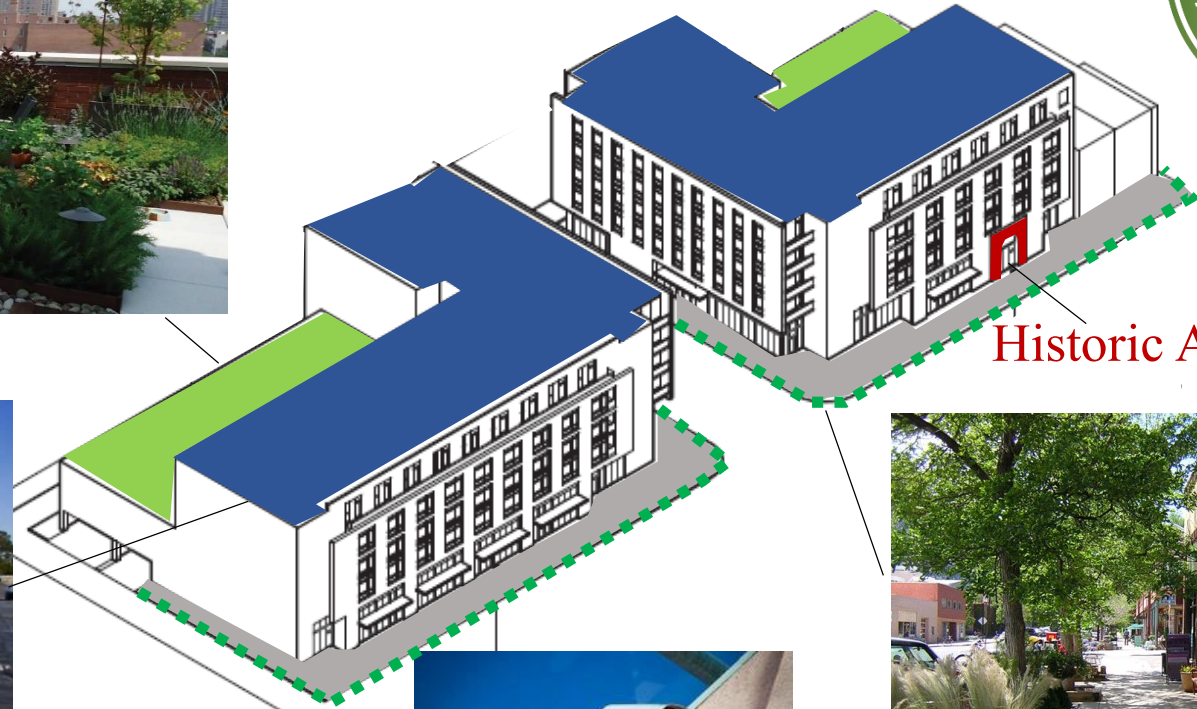
# LEED CERTIFIED BUILDING



Roof Amenities



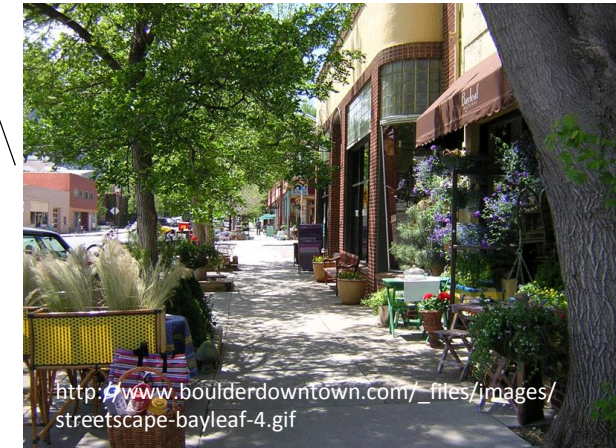
Solar Panel



Historic Arch



Security System



Wide Sidewalks +  
Public Spaces





# FINANCIAL SUMMARY

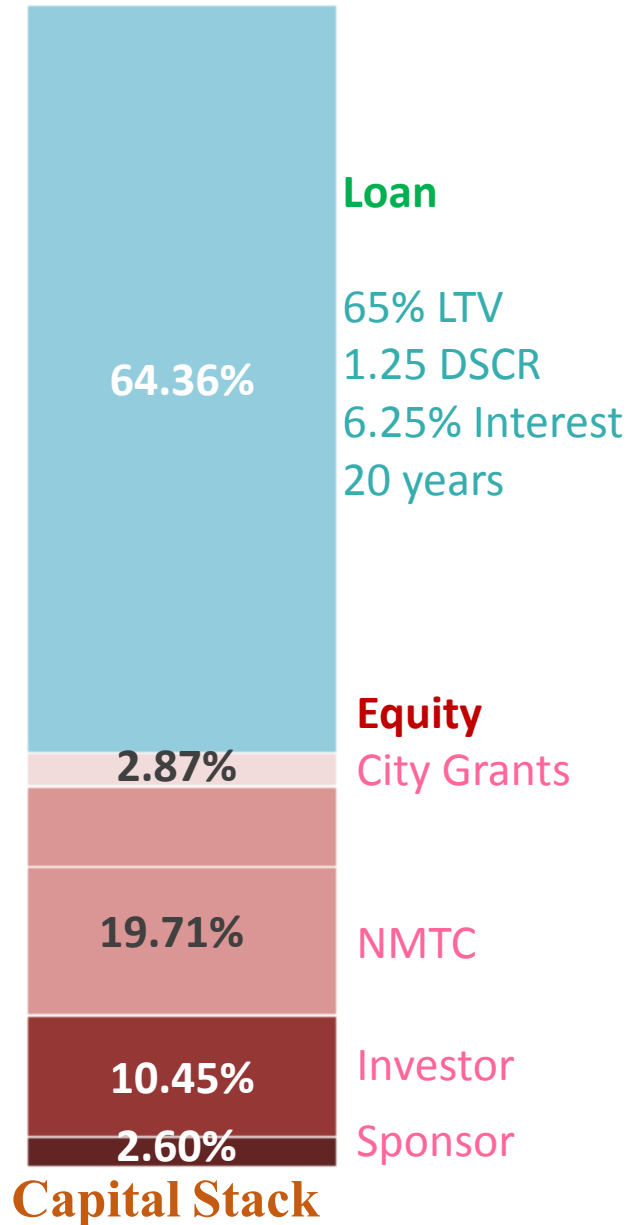


# SOURCES AND USES



Uses	The A	The E	Total
Acquisition	\$ 79,589	\$ 774,861	\$ 854,450
Land Improvement	\$ 5,000	\$ 45,000	\$ 50,000
Construction	\$ 8,132,739	\$11,924,156	\$ 20,056,895
Con. Fin.	\$ 493,047	\$ 722,902	\$ 1,215,949
Soft Costs	\$ 1,031,853	\$ 230,527	\$ 1,262,380
Permanent Fin.	\$ 54,409	\$ 71,959	\$ 126,369
Reserves	\$ 110,667	\$ 110,667	\$ 221,335
Development Fees	\$ 1,100,812	\$ 1,542,230	\$ 2,643,042
<b>TDC (160.23/SF)</b>	<b>\$11,008,117</b>	<b>\$15,422,302</b>	<b>\$ 26,430,420</b>

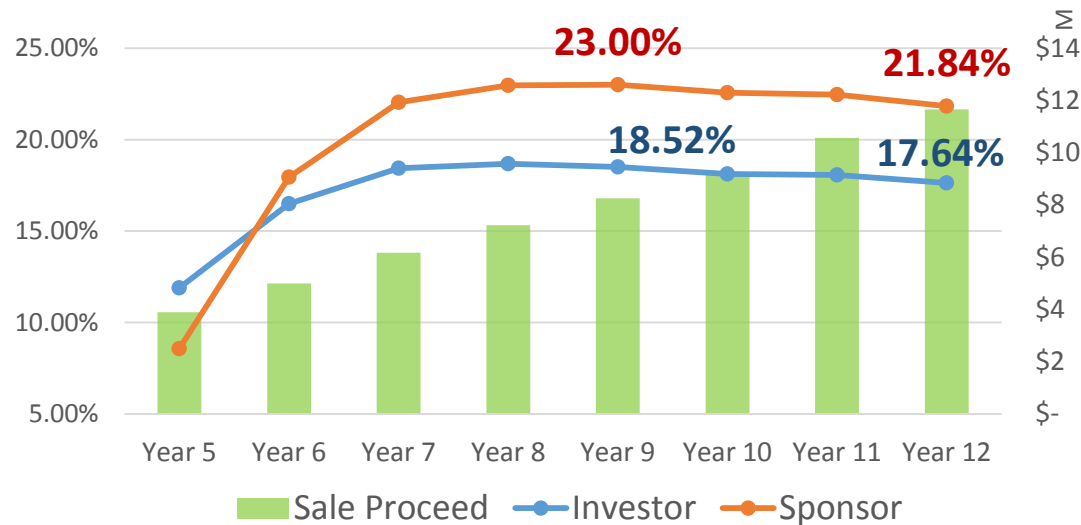
Sources	The A	The E	Total
Sponsor	\$ 79,589	\$ 774,861	\$ 854,450
Investors	\$ 696,782	\$ 1,899,491	\$ 2,596,273
NMTC	\$ 2,731,470	\$ 2,478,653	\$ 5,209,123
City Grants	\$ 345,000	\$ 414,000	\$ 759,000
1st Mortgage	\$ 7,155,276	\$ 9,855,298	\$ 17,010,574
<b>Total</b>	<b>\$ 11,008,117</b>	<b>\$ 15,422,302</b>	<b>\$ 26,430,420</b>



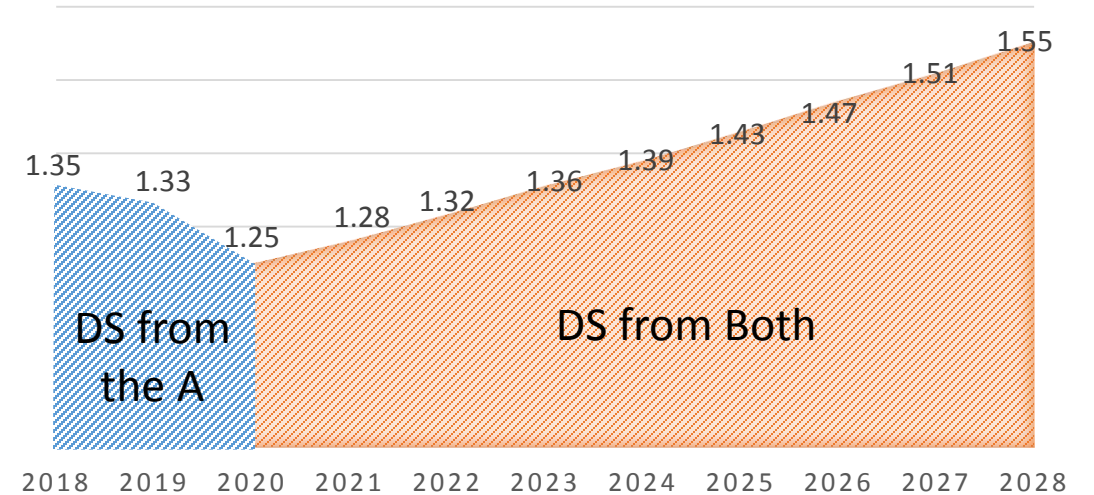


# RETURNS

IRR Sensitivity Analysis



DEBT SERVICE COVERAGE RATIO



- Sale at **2024, year 9**, 5 years after stabilization
- Preferred Return: 9%
- Sponsor Promote: 30%
- Pari-Passu Split: Sponsor/ Investor: 20%/80%
- Sponsor Return : **\$2,590,247**
- Investor Return: **\$ 4,315,690**

- Property Value at Sale: \$23,693,403
- Cash on Cash: 15.37%
- Return on Equity: 10.75%
- Mixed-Income Community
- Sustainable Development
- New Jobs & Local Business



# Conclusions

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- **Improve the Quality of Life**
- Meets the retail demand for the neighborhood
- Anticipates the live-work-balance of the emerging demographic
- Improve public safety of the area
- Preserves the rich history of Hollins Market
- **Bring Economic Opportunities**
- Revitalizes the major commercial corridor
- Proves economically feasible with favorable returns





An architectural rendering of a modern, multi-story brick building. The building features a mix of red brick and large, light-colored glass windows. Some windows are arranged in vertical strips, while others are larger and more irregularly placed. The building has a stepped, modern design. In the foreground, there is a wide, paved pedestrian plaza. Several people are walking on the plaza, including a man in a striped shirt, a woman in a white top, a man in a blue jacket, and a couple walking together. There are also some trees with green foliage scattered around the building and plaza. The sky is blue with some white clouds.

# • Questions?





CENTER WEST

MODEL PARK

BIOPARK  
CLUSTER

Subject sites

1 NORTH CAREY  
PROJECT

FRANKLIN  
SQUARE

LITTLE LITHUANIA  
PARK

Back Up slides

LITTLEPAGES  
FURNITURE



ANCHOR W

Baltimore

MT CLARE JUNCTION

UNION  
SQUARE

Ideal Urban Living with Affordability



# BY-RIGHT DEVELOPMENT

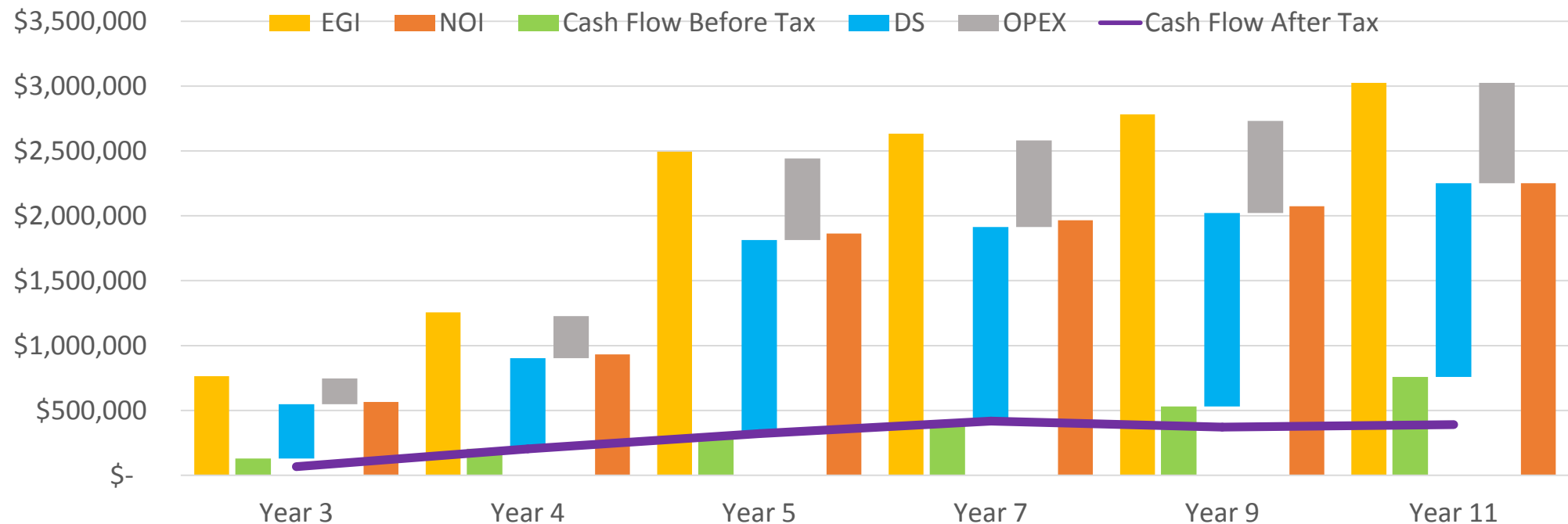
- Currently zoned **B-2-3**, Commercial Community Business District
- Various storefront business
- Residential rental units
- FAR may not exceed 5.0
- 20 feet  $\leq$  Building height  $\leq$  60 feet
- No environmental issues
- Preserve the Arch





# CASH FLOW

OPERATION INCOME	Year 3 Phase 1	Year 4 Phase 1& 2	2020 Year 5	2022 Year 7	2024 Year 9	2027 Year 11
EGI	\$ 763,878	\$1,255,588	\$ 2,493,515	\$ 2,632,430	\$ 2,781,917	\$ 3,024,962
OPEX	\$ 198,179	\$ 324,200	\$ 629,361	\$ 667,689	\$ 708,351	\$ 774,035
NOI	\$ 565,698	\$ 931,388	\$ 1,864,154	\$ 1,964,741	\$ 2,073,566	\$ 2,250,928
DS	\$ 418,399	\$ 699,634	\$ 1,492,021	\$ 1,492,021	\$ 1,492,021	\$ 1,492,021
Cash Flow	\$ 147,299	\$ 203,948	\$ 320,799	\$ 418,201	\$ 370,981	\$ 390,740
SALE PROCEEDS 9% Cap rate	\$2,735,153	\$2,891,776	\$ 3,887,953	\$ 6,171,870	\$ 8,532,227	\$11,665,842



# Assumptions

Gross SF	The A	The E	Total
Lobby	3,040 SF	2,665 SF	<b>5,705 SF</b>
Parking	5,825 SF	25,025 SF	<b>30,850 SF</b>
Retail	7,670 SF	9,665 SF	<b>17,335 SF</b>
<b>Total</b>	<b>16,535 SF</b>	<b>22,215 SF</b>	

Sale		
Exit Cap	9%	Emerging Market
Sale year	Yr. 9	Sensitivity Analysis
Selling Cost	6%	

I & E	Residential	Retail
Rent Escalation	3%	4.75% every 3 years
Expense Escalation	3%	3%
MGMT Fee	6%	6%
Vacancy Rate	5%	10%

Capital Cost	Residential	Retail
TI	-	0.5/SF
Reserve	\$175/unit/yr.	0.35/SF/yr.

Loan Terms	DSCR	LTV	Interest Rate	Term	Annual DS	Annual Interest
	1.25	65%	6.25% (fixed)	20	\$1,492,021	\$1,041,450

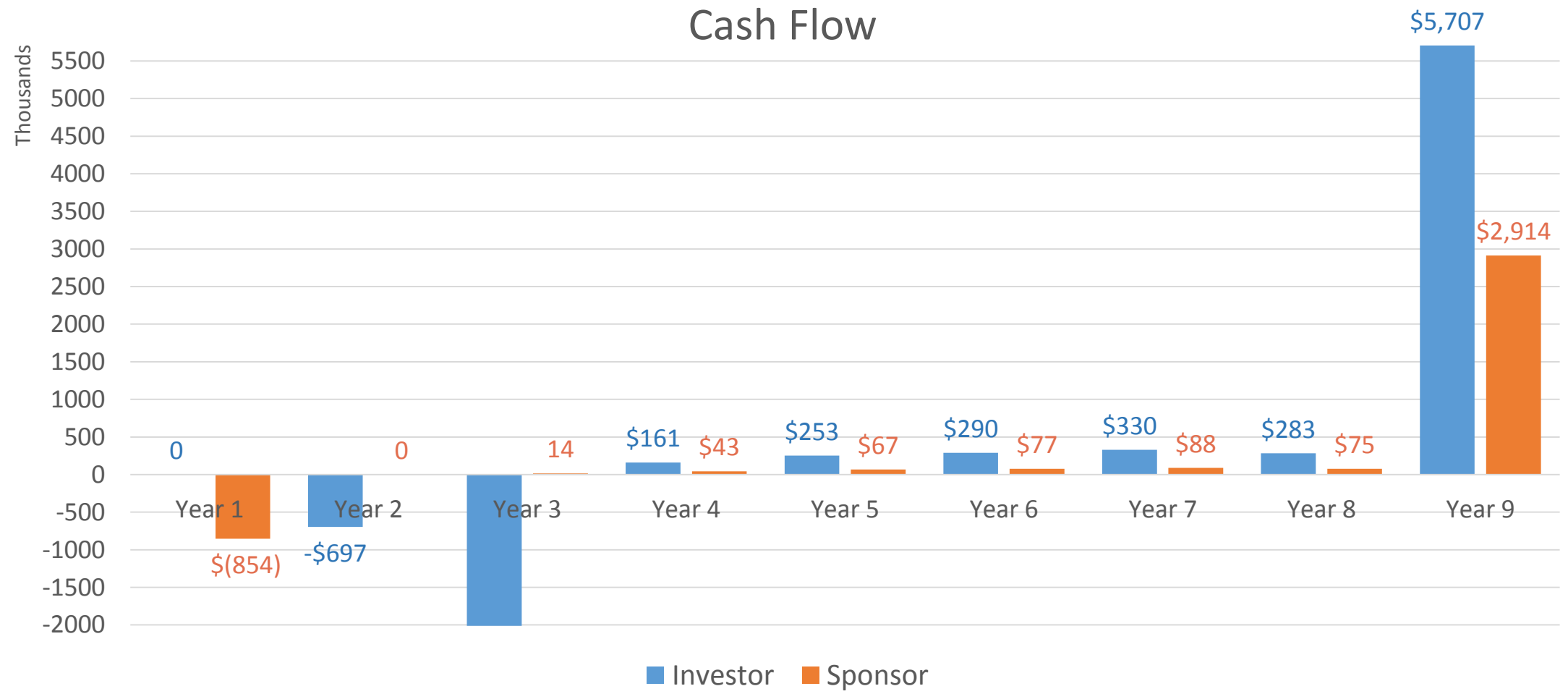


# Income & Expense

The A				
Income		Partial Yr.	1st. Full Yr.	
Period Beginning Date		Year 0	Year 1	Year 2
Period Ending Date		May-2018	Jan-2019	Jan-2020
Income- Residential		Dec-2018	Dec-2019	Dec-2020
Potential Rental Income		\$ 693,240	\$ 1,039,860	\$ 1,071,056
Vacancy & Credit Loss	5.35%	\$ 37,088	\$ 55,633	\$ 57,301
<b>Effective Rental Income</b>		<b>\$ 656,152</b>	<b>\$ 984,227</b>	<b>\$ 1,013,754</b>
Other Income		\$ 12,567	\$ 18,850	\$ 19,416
<b>Operating Income- Residential</b>		<b>\$ 668,718</b>	<b>\$ 1,003,077</b>	<b>\$ 1,033,170</b>
<b>Income- Non-Residential</b>				
Potential Rental Income		\$ 92,040	\$ 138,060	\$ 138,060
Vacancy & Credit Loss	5.00%	\$ 4,602	\$ 6,903	\$ 6,903
<b>Effective Rental Income</b>		<b>\$ 87,438</b>	<b>\$ 131,157</b>	<b>\$ 131,157</b>
Other Income		\$ -	\$ -	\$ -
Reimbursable Expenses (T & I)		\$ 7,721	\$ 11,582	\$ 11,929
<b>Operating Income- Non-Residential</b>		<b>\$ 95,159</b>	<b>\$ 142,739</b>	<b>\$ 143,086</b>
<b>Gross Operating Income</b>		<b>\$ 763,878</b>	<b>\$ 1,145,816</b>	<b>\$ 1,176,256</b>
<b>Expense</b>				
<b>Expense- Residential</b>				
Administrative		\$ 51,741	\$ 77,612	\$ 79,940
Operating		\$ 24,677	\$ 37,016	\$ 38,126
Maintenance		\$ 19,152	\$ 28,728	\$ 29,590
Payroll		\$ 37,557	\$ 56,336	\$ 58,026
Taxes & Insurance		\$ 20,309	\$ 30,464	\$ 31,378
<b>Operating Expenses- Residential</b>		<b>\$ 153,437</b>	<b>\$ 230,156</b>	<b>\$ 237,061</b>
<b>Expense- Non-Residential</b>				
Retail		\$ 44,742	\$ 67,113	\$ 69,126
<b>Operating Expenses- Non-Residential</b>		<b>\$ 44,742</b>	<b>\$ 67,113</b>	<b>\$ 69,126</b>
<b>Total Operating Expenses</b>		<b>\$ 198,179</b>	<b>\$ 297,269</b>	<b>\$ 306,187</b>
<b>Net Operating Income (NOI)</b>		<b>\$ 565,698</b>	<b>\$ 848,548</b>	<b>\$ 870,069</b>
<b>Yearly Reserves</b>				
Residential		\$ 13,067	\$ 19,600	\$ 19,600
Non-Residential		\$ 4,045	\$ 6,067	\$ 6,067
<b>Total Yearly Reserves</b>		<b>\$ 17,112</b>	<b>\$ 25,667</b>	<b>\$ 25,667</b>
<b>Cumulative Reserves</b>		<b>\$ 17,112</b>	<b>\$ 42,779</b>	<b>\$ 68,446</b>

The E		
	Partial Yr.	1st. Full Yr.
	Year 0	Year 1
	Dec-2019	Jan-2020
	Dec-2019	Dec-2020
\$	96,701	\$ 1,160,412
\$	5,174	\$ 62,082
<b>\$</b>	<b>91,527</b>	<b>\$ 1,098,330</b>
\$	1,725	\$ 20,700
<b>\$</b>	<b>93,252</b>	<b>\$ 1,119,030</b>
\$	16,108	\$ 193,300
\$	805	\$ 9,665
<b>\$</b>	<b>15,303</b>	<b>\$ 183,635</b>
\$	-	\$ -
\$	1,216	\$ 14,594
<b>\$</b>	<b>16,519</b>	<b>\$ 198,229</b>
<b>\$</b>	<b>109,772</b>	<b>\$ 1,317,259</b>
\$	6,938	\$ 83,260
\$	3,085	\$ 37,016
\$	2,627	\$ 31,528
\$	4,695	\$ 56,336
\$	2,539	\$ 30,464
<b>\$</b>	<b>19,884</b>	<b>\$ 238,604</b>
\$	7,048	\$ 84,570
<b>\$</b>	<b>7,048</b>	<b>\$ 84,570</b>
<b>\$</b>	<b>26,931</b>	<b>\$ 323,174</b>
<b>\$</b>	<b>82,840</b>	<b>\$ 994,085</b>
\$	1,633	\$ 19,600
\$	506	\$ 6,067
<b>\$</b>	<b>2,139</b>	<b>\$ 25,667</b>
<b>\$</b>	<b>2,139</b>	<b>\$ 27,806</b>

# CASH FLOW





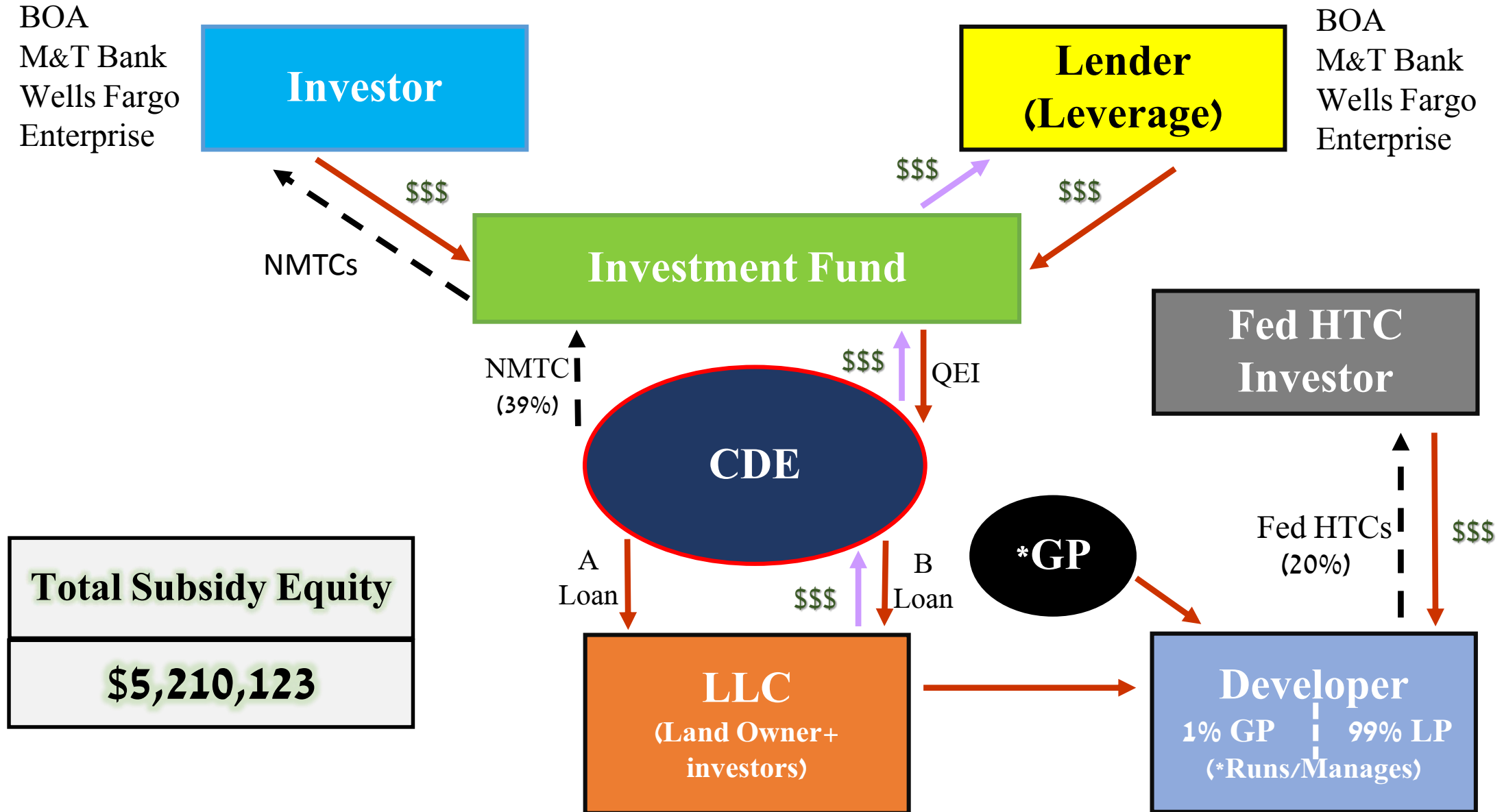
## Tax Credit Subsidy

FTC price/ dollar TC	\$	0.85
Applicable Basis-HTC (estimate of TDC)		95%
Federal HTC %		20%
NMTC %		39%
Applicable Basis-NMTC (estimate of TDC)		43%
TDC of the A	\$	11,008,117
Applicable Basis	\$	10,457,712
FHTC	\$	2,150,108
<b>QEI of FHTC</b>	<b>\$</b>	<b>1,827,592</b>
TDC	\$	26,430,420
Applicable Basis	\$	11,243,761
NMTC	\$	4,385,067
<b>QEI of NMTC</b>	<b>\$</b>	<b>3,727,307</b>
Sub-allocation Fees	7.25% \$	270,230
CDE Committee Fee	2.00% \$	74,546
<b>Net of NMTC</b>	<b>\$</b>	<b>3,382,531</b>

## Tax Credit Benefit of Baltimore City

<b>Property Tax Benefit/ year 1-5</b>		
Current Assessment	\$	1,319,366
Hard Costs	\$	18,424,740
Assessment Factor		80%
Incremental Assessment	\$	15,795,285
Property Tax Rate (BC)		2.268%
<b>Property Tax Benefit</b>	<b>\$</b>	<b>358,237</b>
<b>New Job Tax Benefits</b>		
Retail Jobs Temp		40
Residential Job Temp		30
Retail Jobs FT		40
Residential Job FT		20
Average Taxable Salary (Temp)	\$	15,000
Average Taxable Salary (FT)	\$	25,000
75% City Residents	\$	1,912,500
City Payroll Tax Rate		3.05%
<b>New Job Tax Benefits</b>	<b>\$</b>	<b>58,331</b>

# SUBSIDY & DEBT FLOW CHART



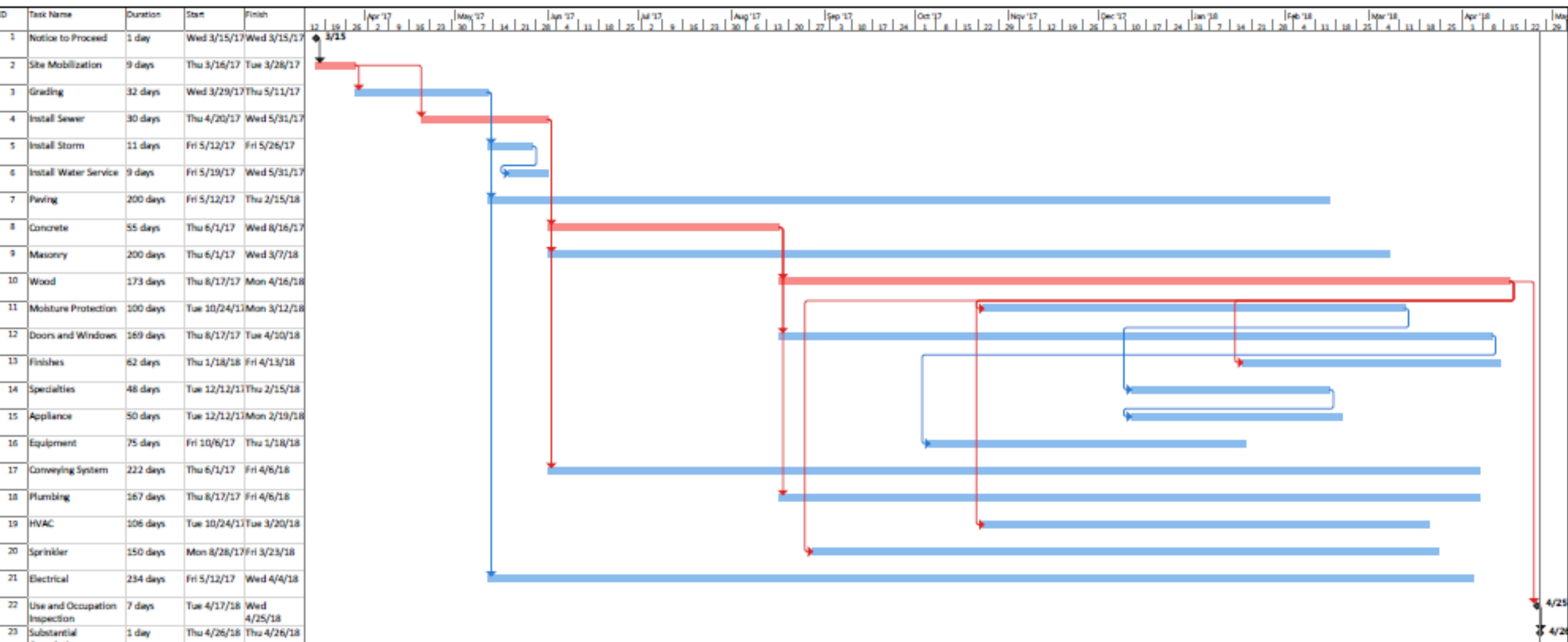


# Unit Mix

- Affordable units
  - 10%
  - Rent: 1b<\$1,440  
2b<\$1,645
- Potential Retail Tenants
  - Grocery Store
  - Fast Food
  - Cafe
  - Restaurant
  - Home Appliance
  - Gym
  - Dry Cleaner

Residential				Rent per Unit/month		
The A	Size & Style	Units	Sq.ft.		Gross SF/ Floor	Development Cost Per Unit
	Studio	8	525	\$ 1,108		
	1 Bedroom/1 Bath	28	684	\$ 1,382		
	2 Bedroom/1 Bath	12	893	\$ 1,717		
	2 Bedroom/2 Bath	8	1024	\$ 2,311		
	Total	56	42,260		12,335	
	Average		755	\$ 1,547		
The E	Studio	5	525	\$ 1,181	Gross SF/ Floor <th rowspan="5"></th>	
	1 Bedroom/1 Bath	17	684	\$ 1,445		
	2 Bedroom/1 Bath	24	893	\$ 1,783		
	2 Bedroom/2 Bath	10	1024	\$ 2,343		
	Total	56	45,925		15,430	
	Average		820	\$ 1,727		\$ 129,496
Non-Residential		Units	Sq.ft.	Unit/year		
The A	Retail	2	7,670	\$ 18.00	Gross SF/ Floor	Development Cost Per SF
	Parking	18	5,825			
	Lobby	1	3,040		16,535	
The E	Retail	3	9,665	\$ 20.00	Gross SF/ Floor	
	Parking	48	15,140			
	Lobby	48	2,665		22,215	

# PROJECT SCHEDULE- 13 MONTHS FOR THE A





# PRECEDENTS



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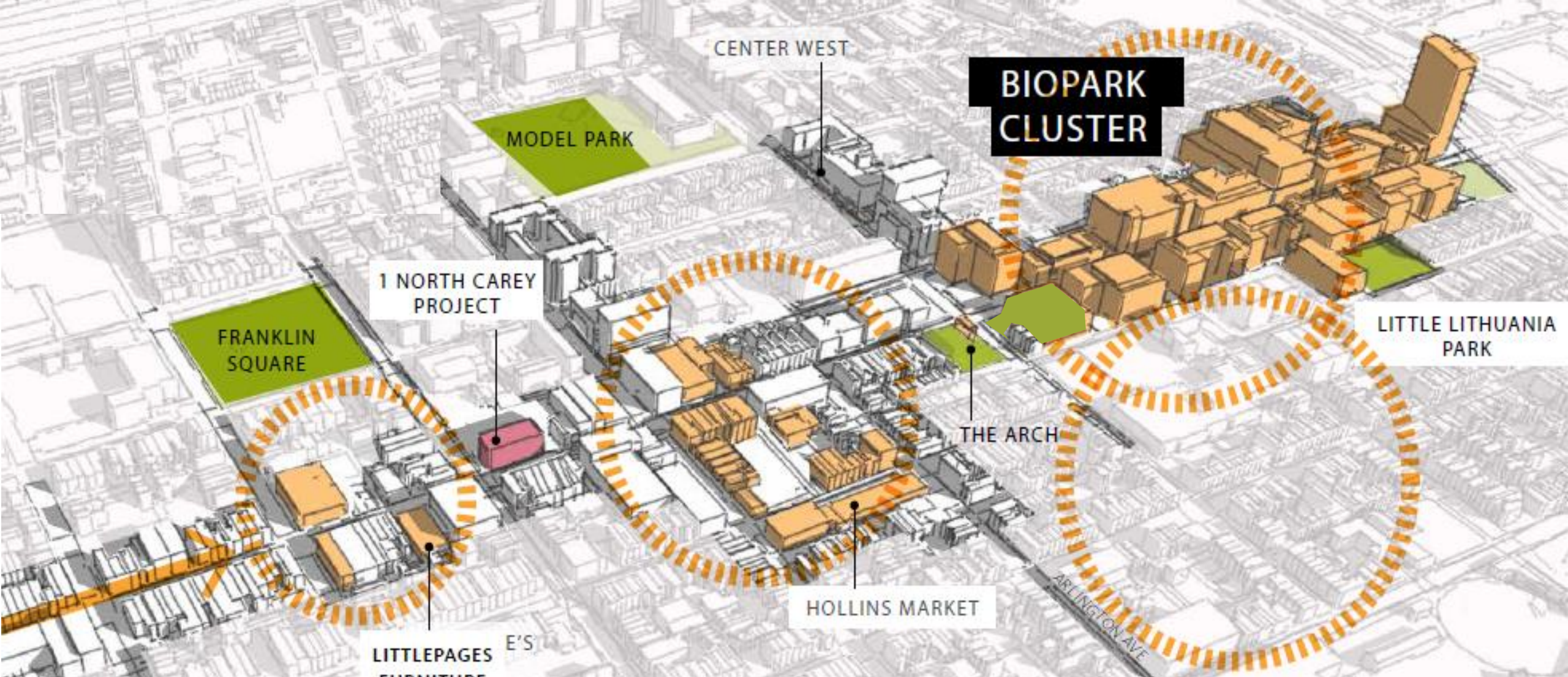
- West Philadelphia

- Lead by anchor institution
- Large numbers of vacant and high crime rate
- Blight neighborhood
- Start with multi-family to attract newcomers and business
- Significantly improve housing market and public safety



- Charles Village

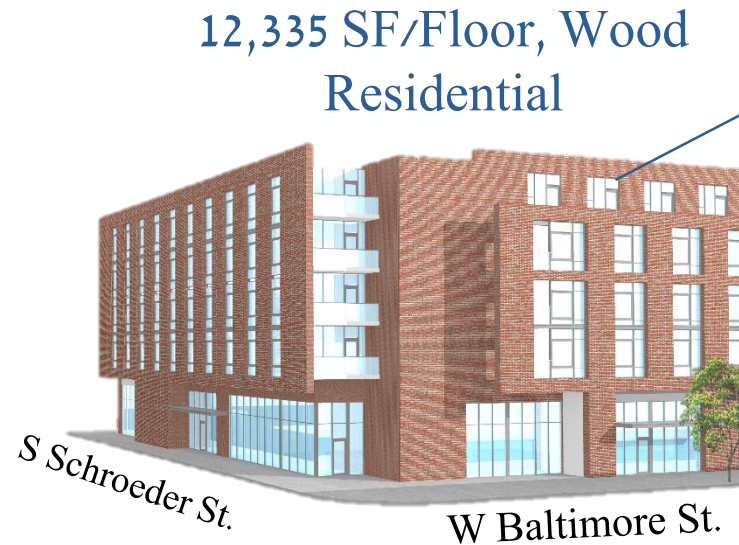




OPPORTUNITY AND ACTIVITY



# MIXED-USE MIXED-INCOME DEVELOPMENT



## Phase 1

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## Phase 1: The A