



ELKHORN PROMENADE

“Why go
downtown? Go
next door!”

Owen Brown Village Center, Columbia, Maryland

Taylor Cooper - Spring 2016 Capstone

Mentor Tim Pula – Beatty Development

Architects – UMD Architecture Students

PALS Course Sponsored by Howard County, Maryland

PROJECT SUMMARY

STORY

- Farm to table restaurants
- Local craft beer & wine
- Relationship focused businesses
- Activating the lake year round
- Reflect Jim Rouse original goals
- Public ownership of town center

FINANCES

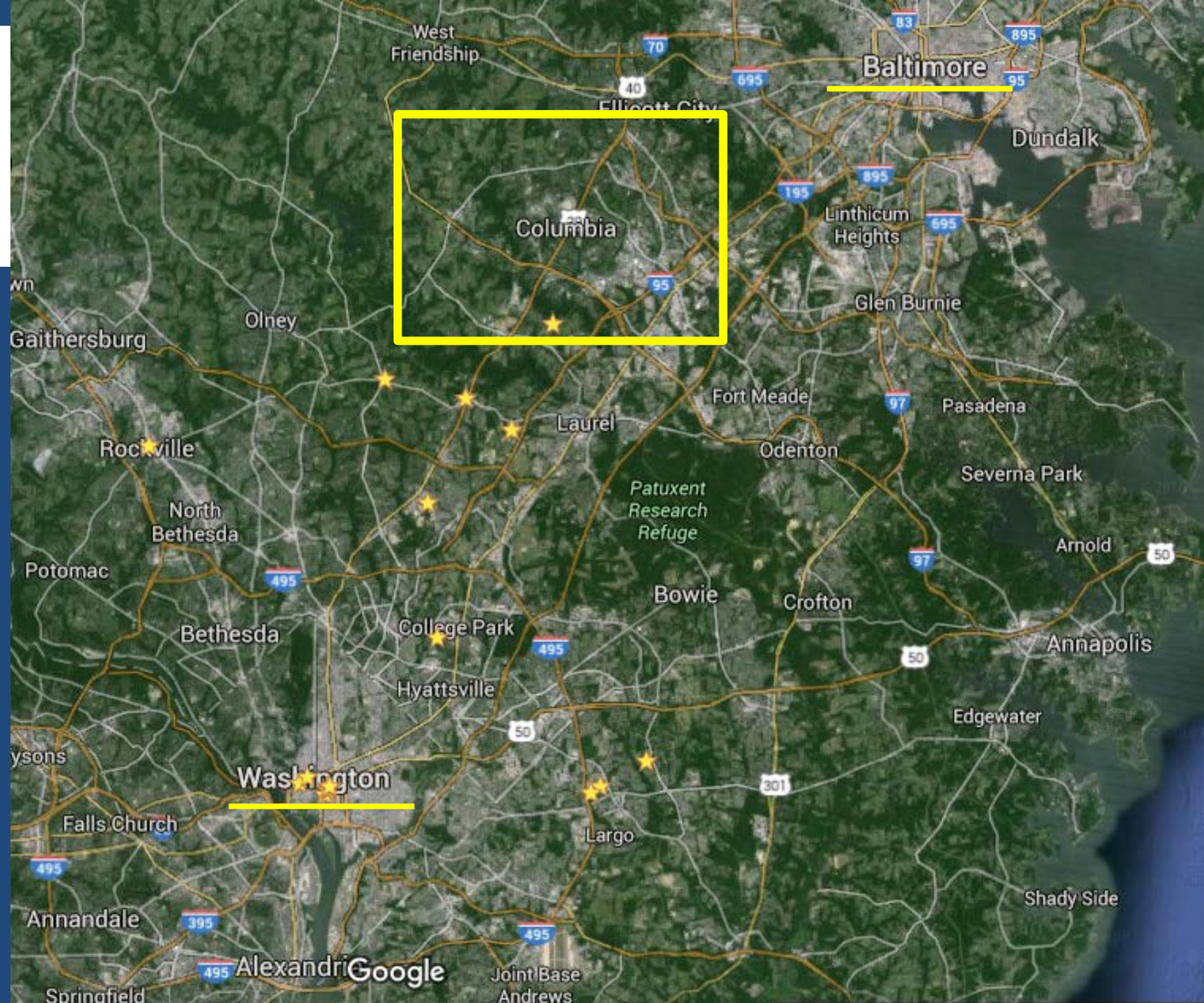
- Total Cost: \$42,064,363
- Total Construction Cost: \$34,615,323
- Leverage IRR : 22.3%
- Year 10 Property Value: \$53,618,790
- Total 10 year cash flow: \$39,829,663
- Exit Cap Rate: 7.0%

SITE OVERVIEW

Owen Brown Village Center in Columbia, Maryland

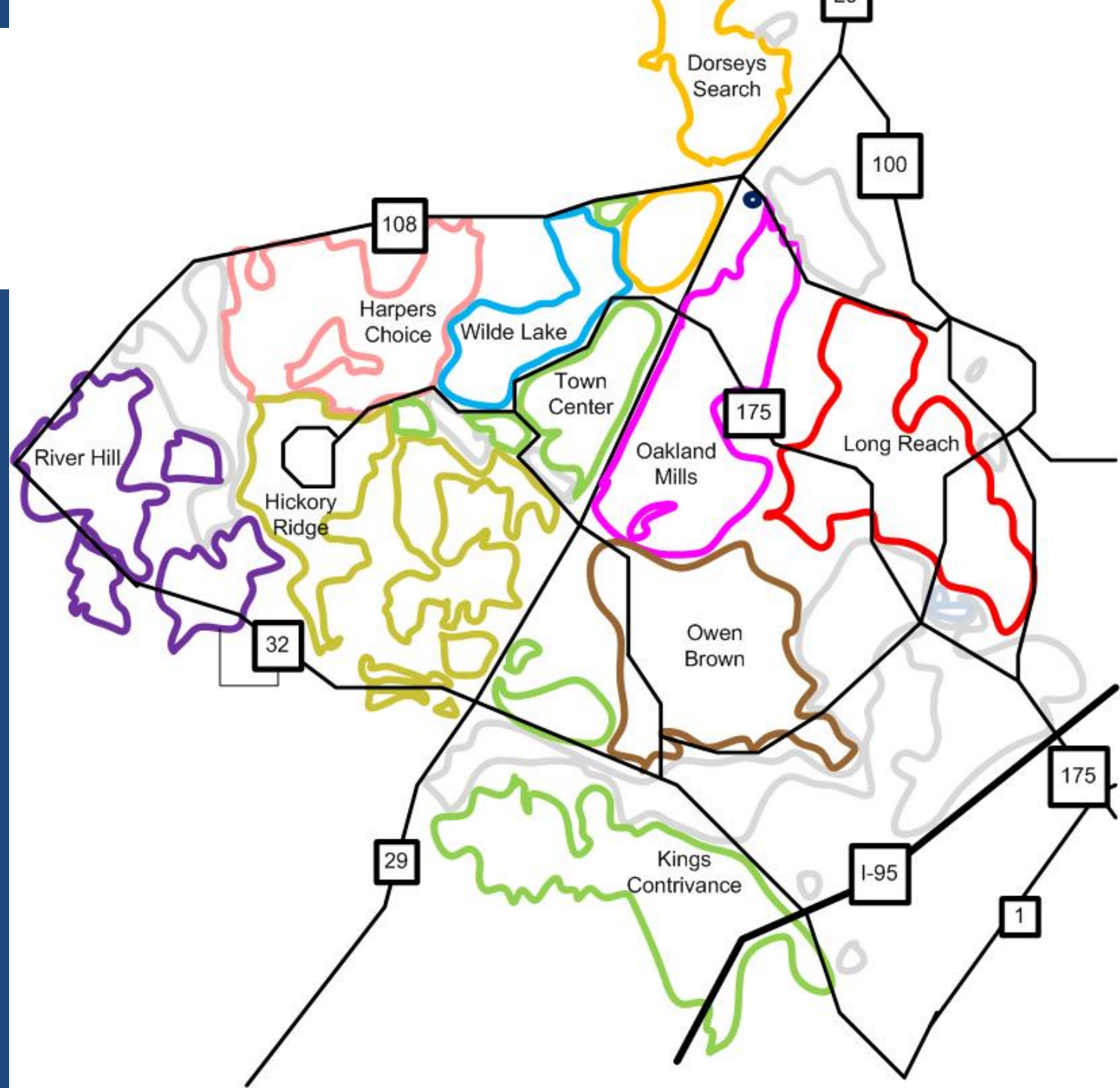
CURRENT UNDERUTILIZED SITE

- Howard County, MD
- Columbia, MD
- 1 of 9 historic villages
- 21 miles from Baltimore
- 31 miles from Washington, DC



WHY GO DOWNTOWN? GO NEXT DOOR!

- Several grocery anchored destinations
- Columbia Town Center to regional attraction
- Owen Brown opportunity to grow



OWEN BROWN VILLAGE CENTER

- Adjacent to Lake Elkhorn
- 65,000 sqft of retail
- Razing entire site



PROPOSED PROJECT SITE PLAN



Total 138,600 sqft of retail

Total 385,400 sqft of residential

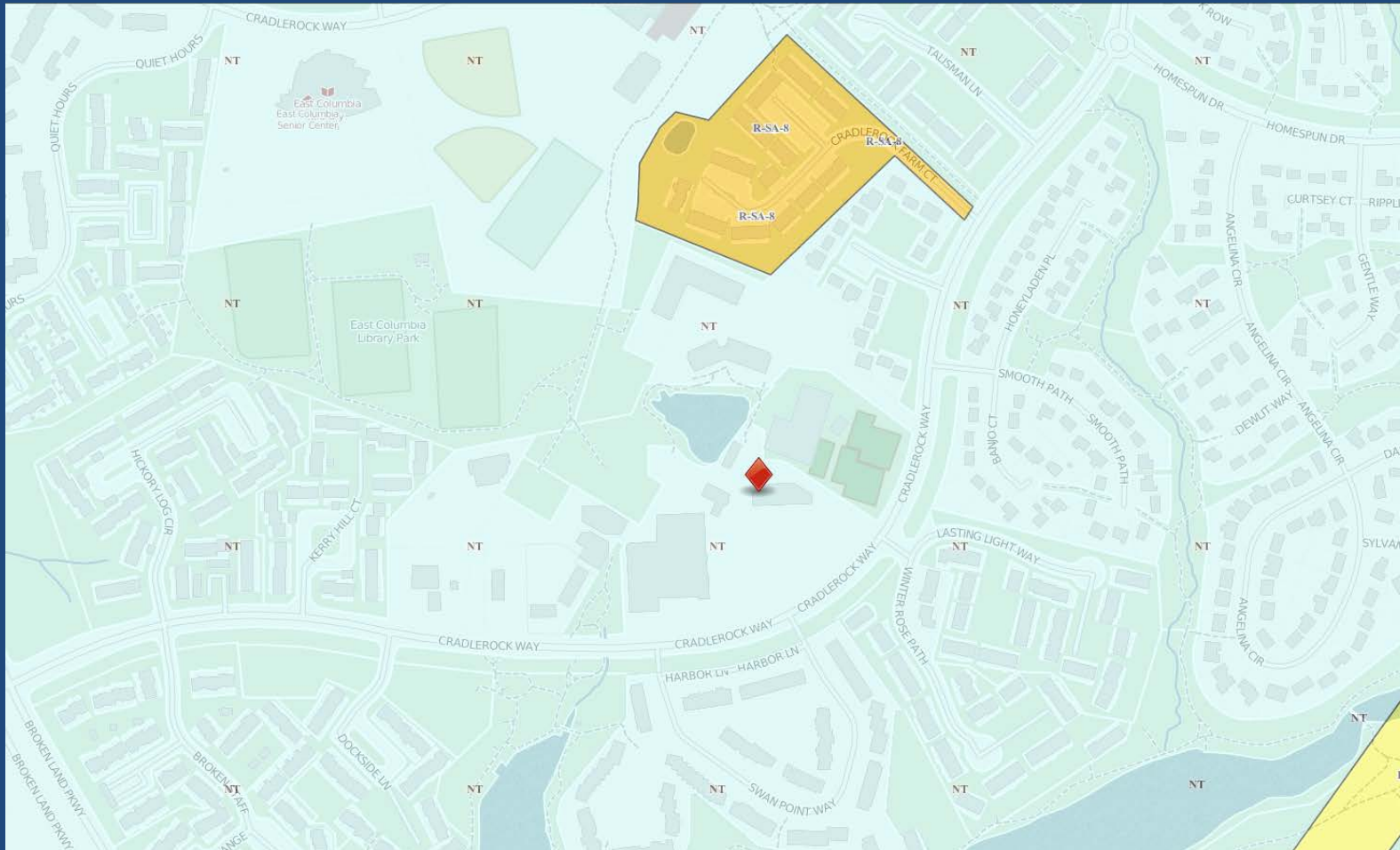
Phase 1 – Building 2, 3 & 7

- 74,182 sqft of retail
- 163,250 sqft of residential

ENTITLEMENTS

Zoned NT – New Town District

CATALYST TO UPDATE NEW TOWN ZONING



Required Uses:

1. Open space
2. Low & high density single family
3. Apartments
4. Commercial
5. Light industrial

Height Limit:

No taller than 7 stories

Storm water Management

Per Howard County & State of Maryland

Parking

Shared spaces encouraged

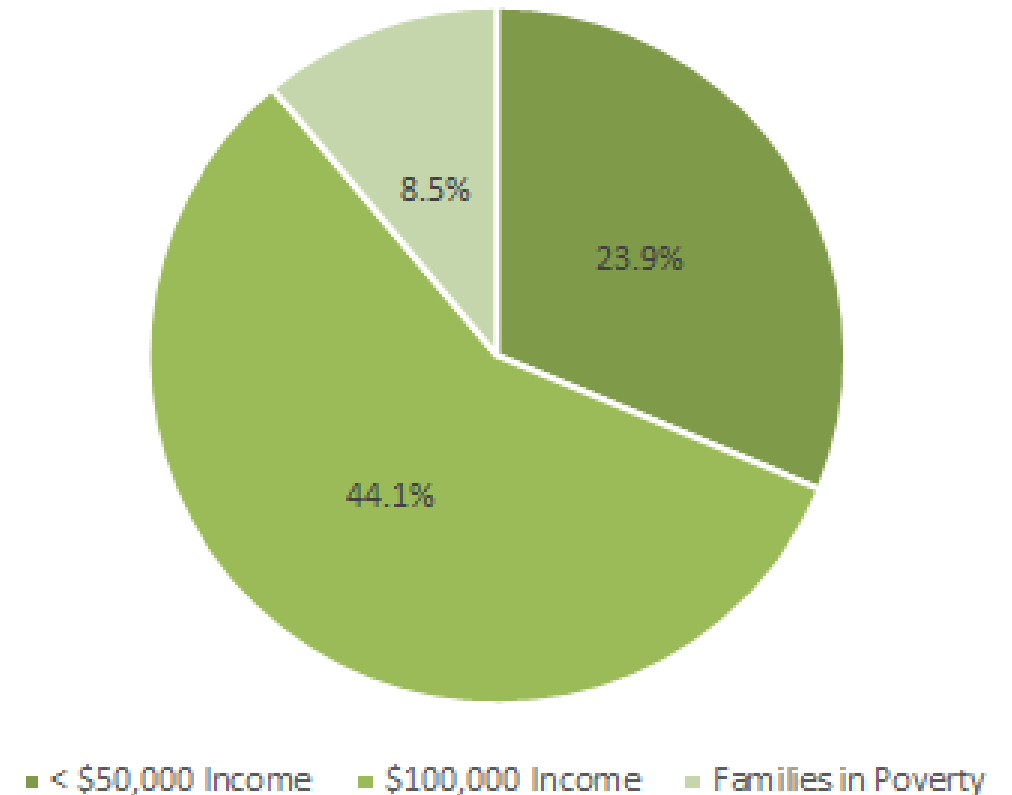
MARKET ANALYSIS

Middle Market of Empty Nesters

TRULY DIVERSE MARKET

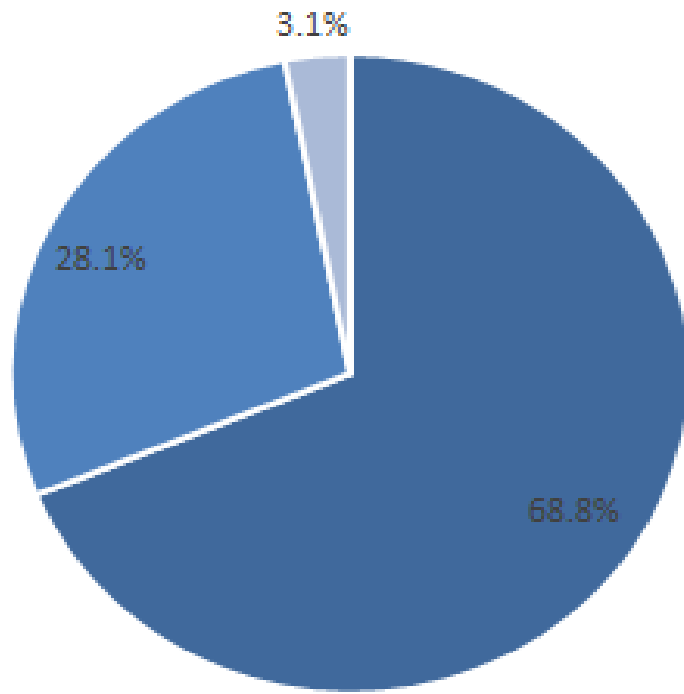
- Demographics:
 - 52% white
 - 28% black
 - 11% Asian
 - 9% of Hispanic or Latino
- 38% of all Howard County jobs are located in Columbia, MD
- Top Howard County employers:
 - John Hopkins University Applied Physics Laboratory
 - Lorien Health Systems
 - Howard County General Hospital.
- 4.4% unemployment rate

OWEN BROWN HOUSEHOLD INCOME



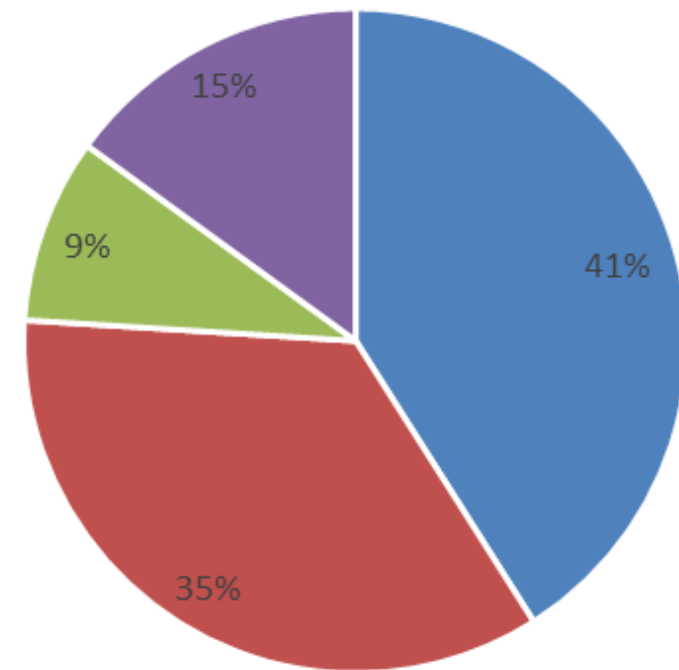
TRULY DIVERSE MARKET

OWEN BROWN HOUSEHOLDS



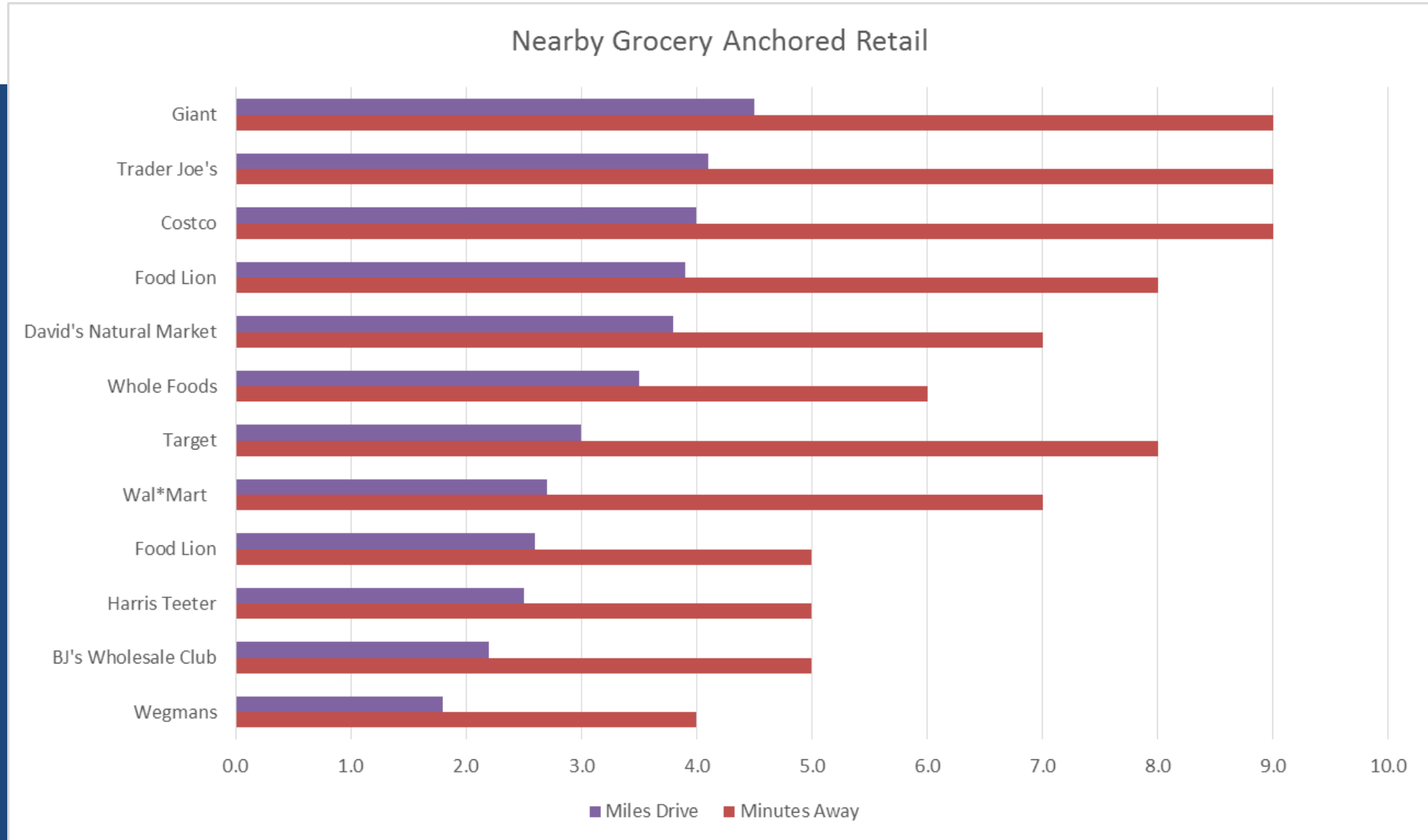
■ Owner-Occupied HUs ■ Renter-Occupied HUs ■ Vacant Housing Units

Owen Brown Families



■ Husband/Wife Family ■ Husband/Wife with Children < 18
■ Other Family ■ Other Family with Children < 18

ABUNDANT GROCERY ANCHORED RETAIL



DESIGN

In collaboration with UMD graduate architecture students,
as part of Howard Country sponsored PALS course



INTERFAITH CENTER

RESIDENTIAL TOWNHOMES

RESIDENTIAL TOWNHOMES

AMPHITHEATER

3 STORY RESIDENTIAL

3 STORY MIXED-USE RETAIL/RESIDENTIAL

3 STORY RETAIL/RESIDENTIAL

1 STORY RECREATION

PARKING 175 SPACES

PARKING 326 SPACES

5 STORY MIXED-USE

5 STORY MIXED-USE

1 STORY RETAIL/OFFICE

RETAIL/RESIDENTIAL

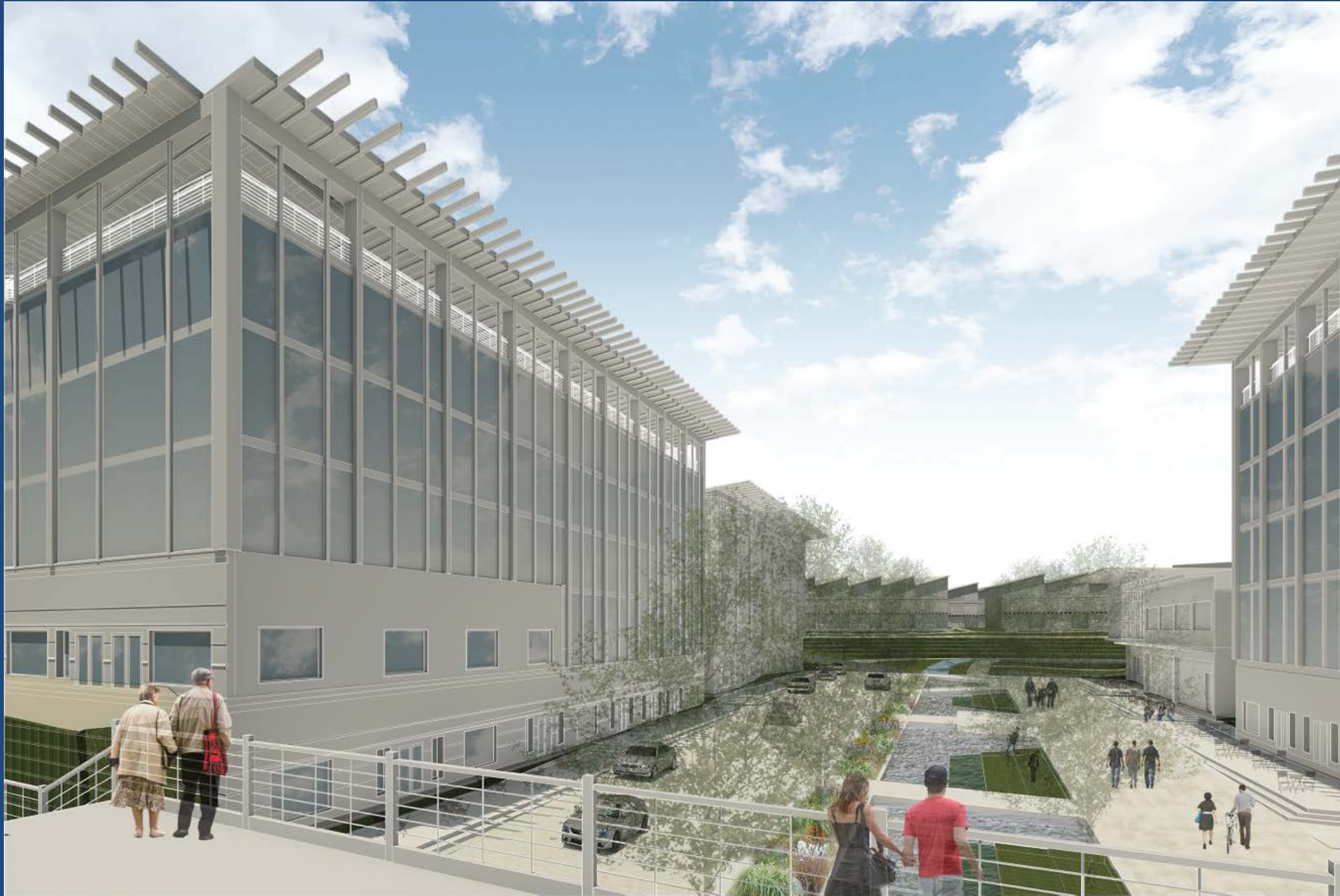
RETAIL/RESIDENTIAL

1 STORY RETAIL/OFFICE

CRADLEROCK WAY

LAKE ELKHORN





VIEW 3: The River Walk



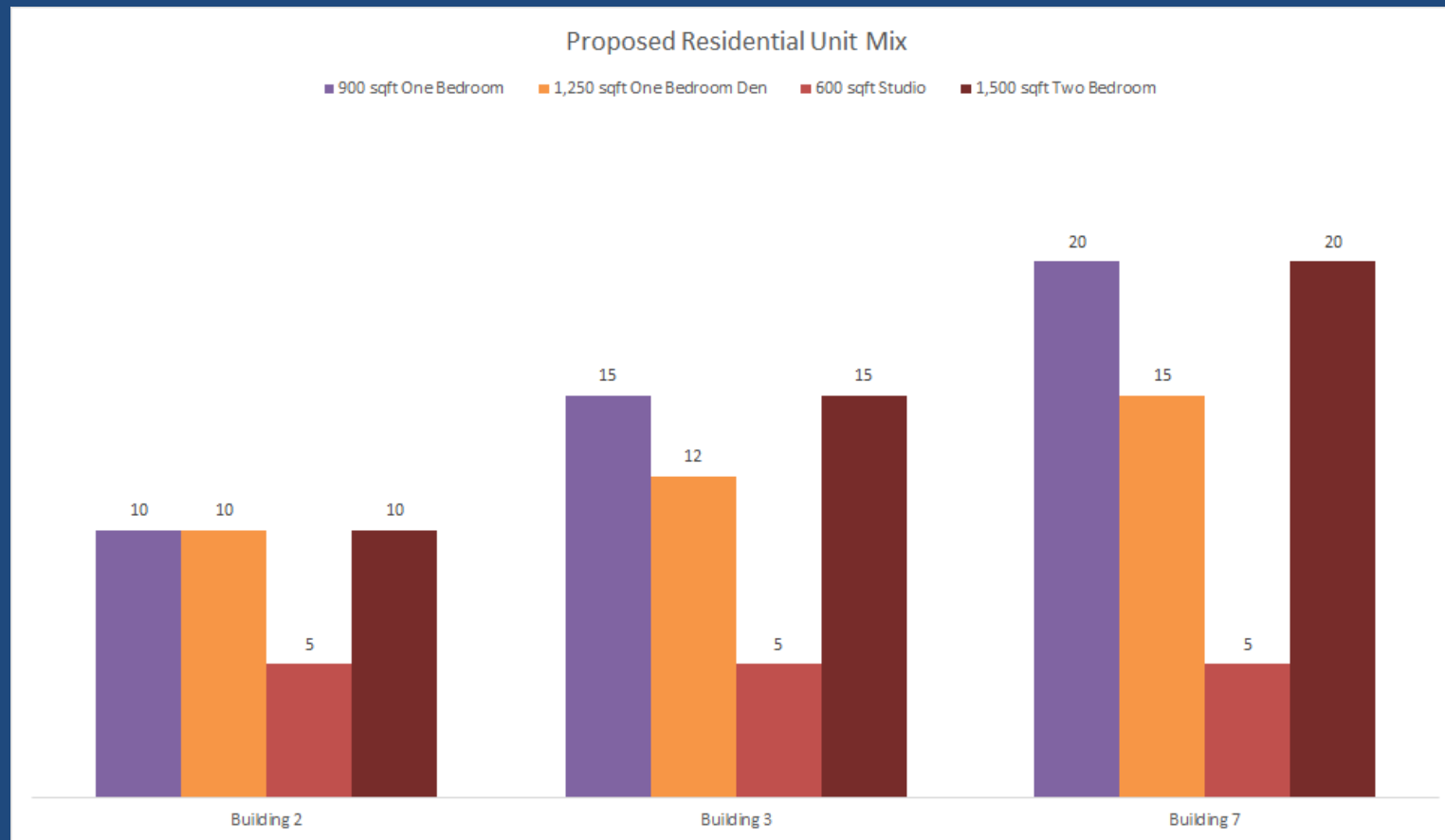
VIEW 5: The Brewery



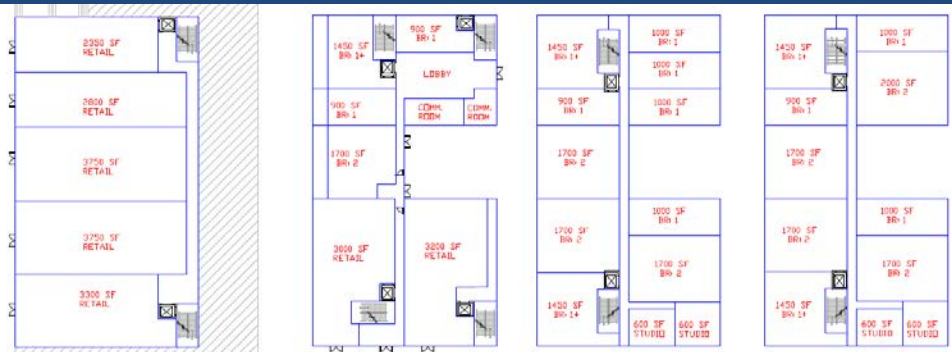
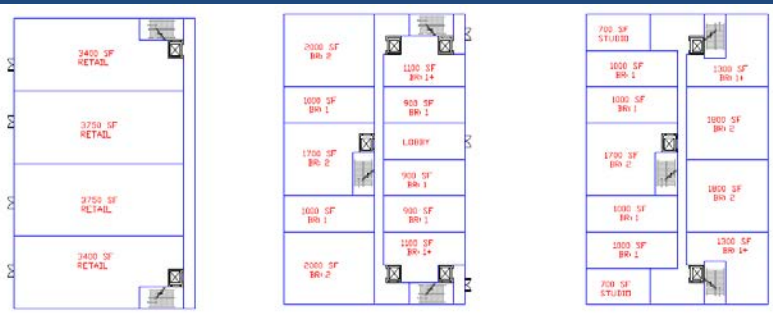
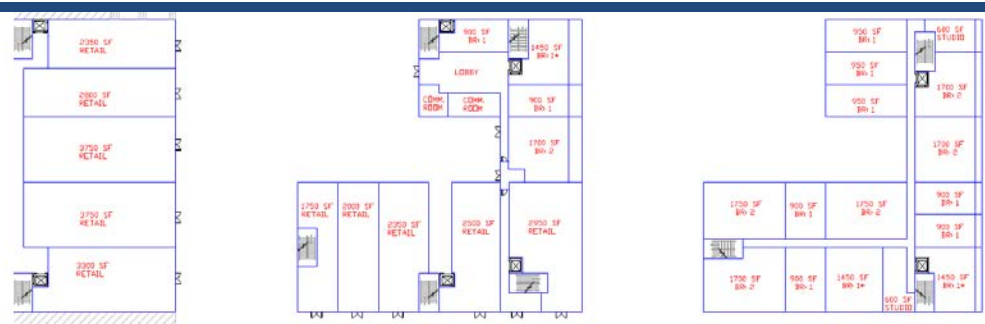
VIEW 6: Lake Elkhorn

UNIT MIX - RESIDENTIAL

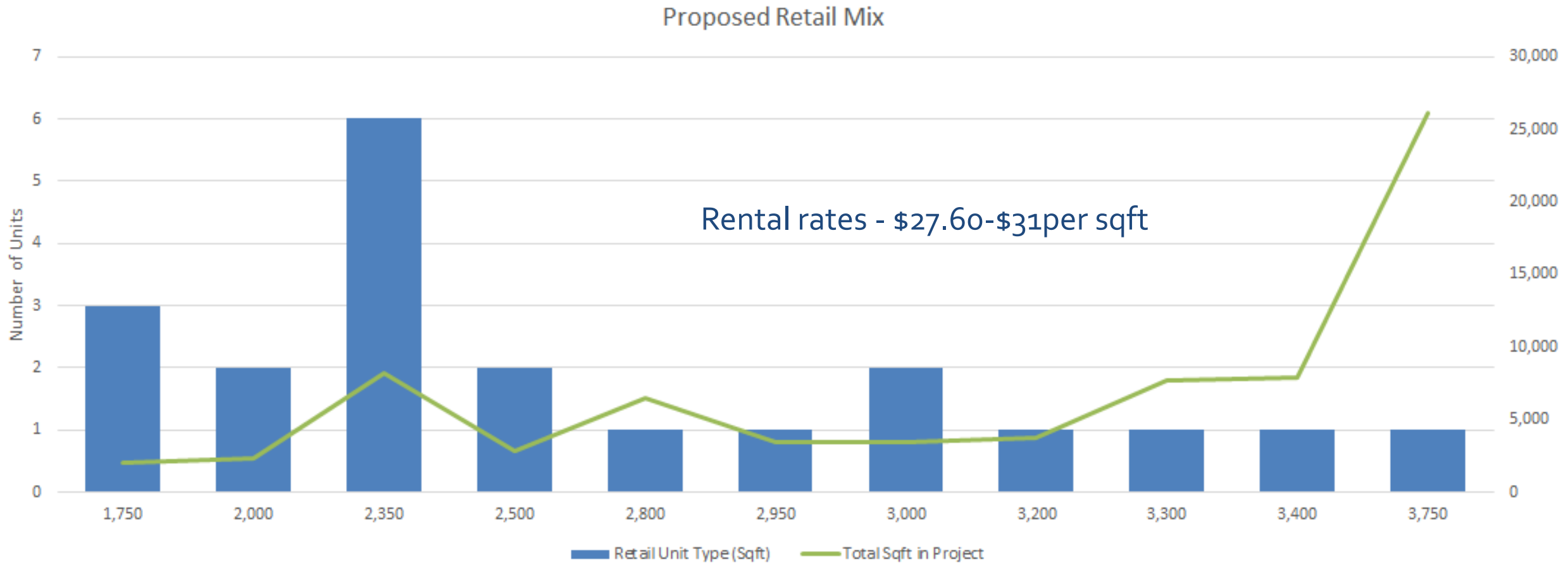
- Residential Rent Rates
 - Studio - \$900 per month
 - One bedroom - \$1,350 per month
 - One bedroom Den - \$1,500 per month
 - Two Bedroom - \$1,750



UNIT MIX



UNIT MIX - RETAIL



FINANCES

Feasibility of competitive and locally sourced mixed use residential and retail destination

FINANCIAL SUMMARY

- **Total Cost: \$42,064,363**
- **Debt: \$31,548,272**
- **Equity: \$10,516,091**
- **Total Construction Cost: \$34,615,323**
- **Construction Per Square foot: \$177**
- **Leverage IRR : 22.3%**
- **Unleveraged IRR: 13.2%**
- **Loan to Value: 63%**
- **Construction Loan Interest: 2.7%**
- **Permeant Loan Interest: 4.56%**
- **Refinance in Year 7: 6%**
- **Year 10 Property Value: \$53,618,790**
- **Exit Cap Rate: 7.0%**

SOURCES & USES

Sources of Funds	Budget	% of Total
Equity		
Equity - Developer	\$ 5,258,045	12.50%
Equity - Investor	\$ 5,258,045	12.50%
Construction Loan	\$ 31,548,272	75.00%
Total Sources	\$ 42,064,363	100.00%

Uses of Funds	Budget	% of Total
Acquisition	\$ 1,411,865	3.3564%
Construction	\$ 34,615,323	82.29%
Environmental	\$ 12,000	0.03%
Architecture & Engineering	\$ 2,733,550	6.50%
Leasing & Marketing	\$ 1,314,696	3.13%
Organizational & Professional Costs	\$ 225,000	0.53%
Financing & Settlement Costs	\$ 192,141	0.46%
Carrying Costs	\$ 621,565	1.48%
Fees & Permits (Government & Utility)	\$ 127,273	0.30%
Development Fee	\$ 412,534	0.98%
Contingency	\$ 398,415	0.95%
Total Uses	\$ 42,064,363	100.00%

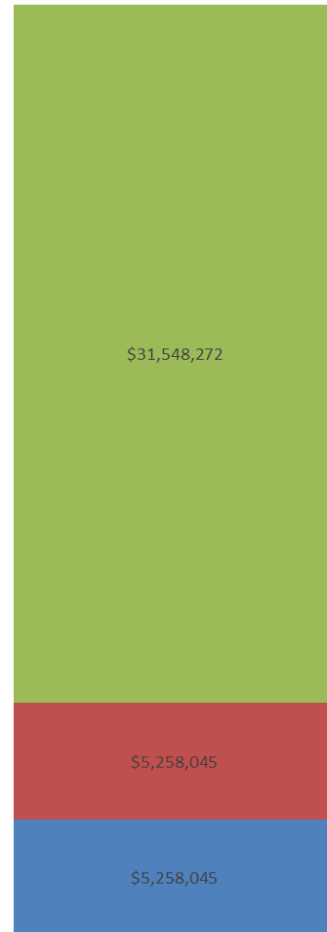
- Total Project Cost
 - \$104,163 per apartment unit
 - \$196 per retail sqft
 - \$29,180 per parking space

- Total Construction Cost
 - \$81,257 per apartment unit
 - \$156 per retail sqft
 - \$26,395 per parking space

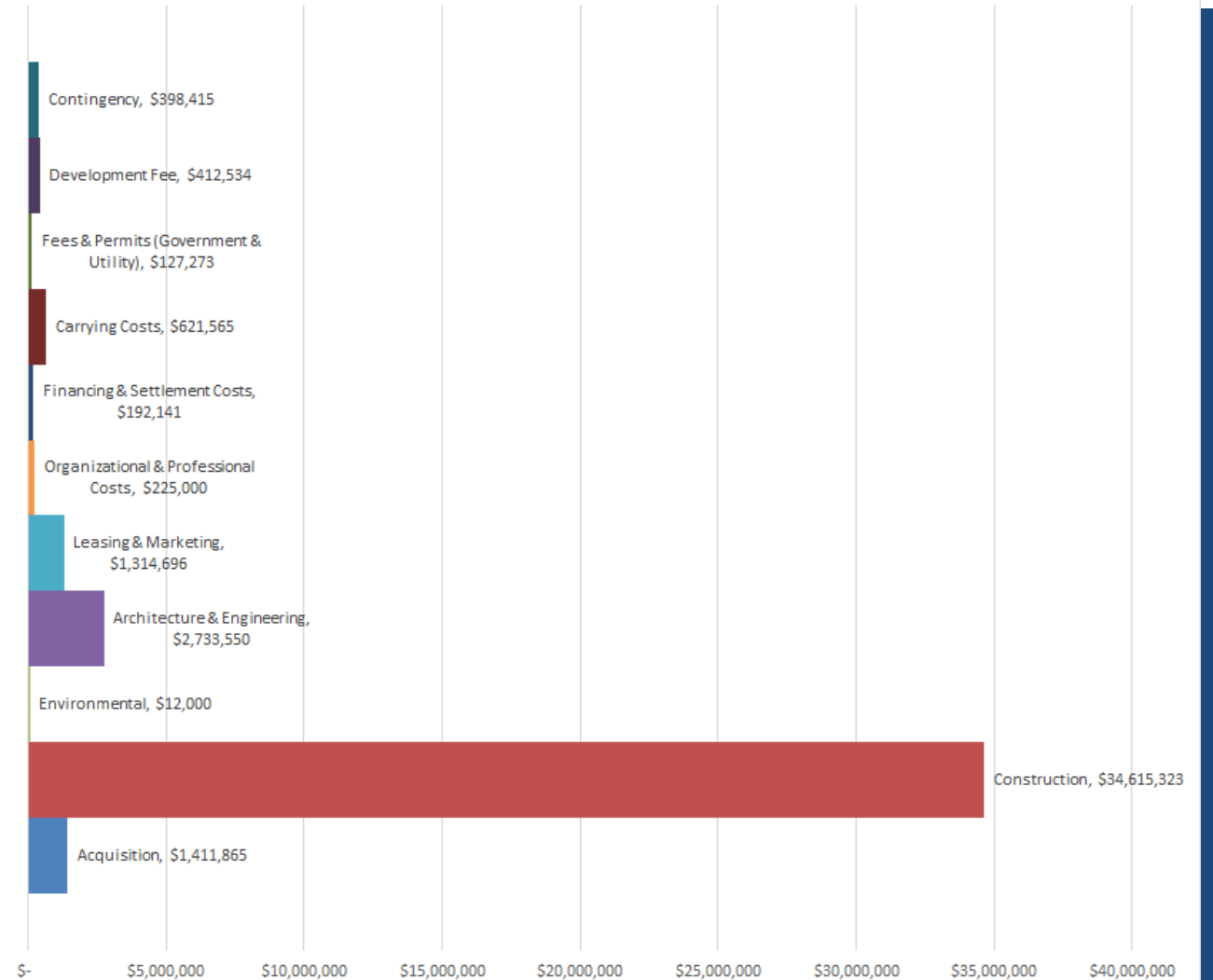
SOURCES & USES

Capital Stack

■ Equity - Developer ■ Equity - Investor ■ Construction Loan



Development Cost



	Development Period		Operations			
	Dev./Const.	Construction	Lease Up	Stabilization		
	Year 1	Year 2	Year 1	Year 2	Year 10	10 Year Total
Gross Potential Income			4,195,375	4,236,197	5,042,400	45,855,658
Effective Gross Income			3,188,113	4,110,345	4,895,011	43,621,049
Total Operating Expenses			(948,564)	(758,548)	(1,141,696)	(10,183,248)
Net Operating Income			2,239,549	3,351,797	3,753,315	33,437,800
Net Income less Debt Service			1,387,746	5,157,586	24,583,681	39,829,663
Debt Service Coverage Ratio			2.63	1.52	1.71	1.68
Cash Flow Including Residual	(10,516,091)		1,387,746	5,157,586	24,544,112	39,829,663
Cash on Cash			13.20%	49.04%	233.40%	
IRR - 10 Year			22.3%			
Multiple			3.79			

RETURNS

Key Financial Returns

Value	\$ 47,882,812
LTV	75%
Loan Amnt.	\$ 35,912,109
Return on Cost/Investment	7.00%
Return on Cash	13.20%
Leverage IRR	22.29%
Equity Multiplier	3.79

Year 10 Sale

NOI	\$ 3,753,315
CAP Rate	7.0%
Value	\$ 53,618,790
YR Loan Balance	\$ (30,053,309)
Principal & Interst	\$ (2,198,927)
<u>Closing Cost</u>	<u>\$ (536,188)</u>
Net Proceeds	\$ 24,583,681

ENVIRONMENTAL & SOCIAL RESPONSIBILITY

Continuing the legacy of James Rouse, Columbia founder

SOCIAL RESPONSIBILITY

Tailored Retail

- Farm to table restaurants
- Local craft beer & wine
- Relationship focused businesses
- Activating the lake year round
- Reflect Jim Rouse original goals
- Public ownership of town center



ENVIRONMENTAL RESPONSIBILITY

LEED Certified

- Permeable pavement parking lots
- Storm water management connected to Lake Elkhorn
- Green roofs
- Connected bike & pedestrian paths





**WHY GO DOWNTOWN?
GO NEXT DOOR!**