

Table 7.3 City Plaza Lease Summary and Rent Roll

<i>Tenant</i>	<i>Square Feet</i>	<i>Base Rent</i>	<i>Lease Expiration</i>
Donut Shop	2,010	\$20,100	1 year
Discount Store	10,085	\$31,000	2 years
Drugstore	8,680	\$33,720	2 years
Bank Branch	5,375	\$36,000	4 years
Electronics Store	3,500	\$20,300	2 years
Laundromat	8,450	\$22,750	6 years
Medical Office	1,900	\$13,300	4 years
New Supermarket	20,000	\$160,000	10 years
Total	60,000	\$337,170	

Exhibit 7.5 City Plaza 5-Year Operating Pro Forma

<i>Revenue</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Lease Income	\$337,170	\$337,974	\$344,776	\$344,776	\$352,171
CAM	\$27,822	\$28,935	\$30,093	\$31,296	\$32,548
Additional Rent	\$8,038	\$8,440	\$8,862	\$9,305	\$9,770
Parking Income	\$12,155	\$12,155	\$12,155	\$12,155	\$12,155
Total Gross Revenue	\$385,185	\$387,504	\$395,885	\$397,532	\$406,644
Vacancy/Loss Allowance	(\$19,259)	(\$19,375)	(\$19,794)	(\$19,877)	(\$20,332)
Effective Gross Revenue	\$365,926	\$368,129	\$376,091	\$377,655	\$386,312
<i>Expenses</i>					
Legal and Professional Fees	\$17,500	\$18,200	\$18,928	\$19,685	\$20,473
Utilities	\$22,750	\$23,660	\$24,606	\$25,591	\$26,614
Maintenance and Repairs	\$19,142	\$19,908	\$20,704	\$21,533	\$22,394
Insurance	\$37,100	\$38,584	\$40,127	\$41,732	\$43,402
Taxes	\$49,500	\$50,738	\$52,006	\$53,306	\$54,639
Trash and Snow Removal	\$12,000	\$12,480	\$12,979	\$13,498	\$14,038
Security	\$20,349	\$21,163	\$22,009	\$22,890	\$23,805
Miscellaneous	\$1,000	\$1,040	\$1,082	\$1,125	\$1,170
Replacement Reserve	\$30,000	\$31,200	\$32,448	\$33,746	\$35,096
Total Expenses	\$209,341	\$216,973	\$224,890	\$233,106	\$241,631
Income Before Debt	\$156,585	\$151,156	\$151,201	\$144,550	\$144,681

With this information and the projected income before debt in the operating pro forma, answer the following questions to help NHDC formulate its financing plan:

- What size senior mortgage loan can NHDC obtain for the City Plaza project?
- Will the senior mortgage loan and \$150,000 in grant funds provide sufficient financing for NHDC to undertake the project?
- If not, what is the size of the remaining funding gap and what options could NHDC pursue to fill this gap?