

PREPARED FOR:

Town of Brookhaven Industrial Development Agency
One Independence Hill
Farmingville, NY 11738

Reasonableness Assessment for Financial Assistance

GGV GROVE APARTMENTS LLC

MAY 2023

PREPARED BY:



CONTENTS

Contents	2
Executive Summary	1
1. Operating Assumptions	2
2. PILOT Analysis.....	3
3. Operating Performance.....	9
4. Financing Plan.....	10
5. Rate of Return.....	11
Attachment 1: Pro Formas	12
Appendix A: Scope of Services	17
Appendix B: Definitions	18

EXECUTIVE SUMMARY

Project Description

The Town of Brookhaven Industrial Development Agency (Agency) received an application from GGV Grove Apartments LLC (Applicant) for financial assistance for the construction of a mixed-use development (Project) at 400 East Main Street, East Patchogue, NY, featuring 55 income restricted apartments and commercial space leased to a local non-profit organization or small business retail. 17 of the units will be targeted to survivors of domestic violence. Commercial space is not eligible for financial assistance from the Agency and therefore is not considered in this analysis.

The Project represents a \$33.75 million investment and is anticipated by the Applicant to generate 7 jobs within two years. To support this project, the Applicant requests financial assistance in the form of a Payment In Lieu of Taxes agreement (PILOT).

Purpose of this Analysis

An objective, third-party review of the assumptions and estimated operating and financial performance of a project helps Industrial Development Agencies perform a complete evaluation of a proposed Project. Camoin Associates was engaged to analyze the Project and deliver an analysis and opinion to answer three questions:

- ◆ Are the operating assumptions such as rent, vacancy, and expenses within norms for the region?
- ◆ Is the assistance necessary for the Project to be financially feasible, and therefore undertaken by the Applicant?
- ◆ If assistance is awarded, will the Applicant's rate of return on investment be similar to market expectations for similar projects in the region, and therefore reasonable?

Findings: This analysis concludes that the answer to each of these questions is as follows:

- ***Assumptions are within norms for the region.***
- ***Assistance in the form of a PILOT is necessary to Project feasibility. The PILOT per unit should be at least \$775 to meet the current revenue generated by the site (excluding buildings on site) for municipalities.***
- ***The rate of return to the Applicant, at \$775 per unit PILOT, is similar to market expectations and therefore reasonable.***

1. OPERATING ASSUMPTIONS

The Applicant's operating assumptions are compared to CoStar estimates for rent in 2022 in Suffolk County. The ability of households in Suffolk County to afford these income limited apartments is estimated by calculating the income necessary to pay no more than 30% of income on rent. The household income required to support the Applicant's proposed rents falls below the maximum household income limits for the 50% and 60% household income units, but slightly above for the 80% and 90% household income units. As an affordable apartment complex project, the units must be made available to households meeting the required Area Median Income limits.

Apartment Unit Type, Rent, and Household Income

Type of Apartment (1)	Number of Units (1)	Rent per Month (1)	Rent per Year	Household Income Required (2)	Max Household Income (3)	Benchmarks (4)	
50%	1BR	5	\$1,227	\$14,724	\$49,080	\$58,150	Income required falls below max household income.
	2BR	10	\$1,457	\$17,484	\$58,280	\$65,400	Income required falls below max household income.
	3BR	2	\$1,671	\$20,052	\$66,840	\$78,500	Income required falls below max household income.
60%	1BR	14	\$1,500	\$18,000	\$60,000	\$69,780	Income required falls below max household income.
	2BR	11	\$1,784	\$21,408	\$71,360	\$78,480	Income required falls below max household income.
	3BR	1	\$2,048	\$24,576	\$81,920	\$94,200	Income required falls below max household income.
80%	1BR	2	\$2,045	\$24,540	\$81,800	\$77,050	Rent is lower than average rent for the county.
	2BR	4	\$2,438	\$29,256	\$97,520	\$86,700	Rent is slightly higher than average rent in the county.
	3BR	1	\$2,803	\$33,636	\$112,120	\$104,050	Rent is 1.2 times higher than average rent.
90%	1BR	-	-	-	-	-	
	2BR	3	\$2,601	\$31,212	\$104,040	\$86,700	Rent is 1.1 times higher than average rent.
	3BR	2	\$2,994	\$35,928	\$119,760	\$104,050	Rent is 1.25 times higher than average rent.

(1) Source: Applicant

(2) Income needed to pay no more than 30% on rent

(3) Using HOME Income Limits for New York State. Assuming 1.5 people per room, rounded up.

(4) Average monthly rent for 2022 in Suffolk County, NY is estimated at \$2,416; Source: CoStar

2. PILOT ANALYSIS

Camoin Associates analyzed three possible PILOT schedules plus a 10% Shelter Rent schedule in alignment with the Agency's Uniform Tax Exemption Policy (UTEP). The analysis considers a Low, Medium, and High scenario, each increasing by 2% per year, plus the Shelter Rent.

Year	PILOT Schedule			
	Low per Unit (1)	Medium per Unit (1)	High per Unit (1)	Shelter Rent
	\$ 600	\$ 775	\$ 1,000	NA
1 (Construction)	\$ -	\$ -	\$ -	\$ -
2 (Construction)	-	-	-	-
3	33,000	42,625	55,000	108,543
4	33,660	43,478	56,100	110,713
5	34,333	44,347	57,222	112,928
6	35,020	45,234	58,366	115,186
7	35,720	46,139	59,534	117,490
8	36,435	47,061	60,724	119,840
9	37,163	48,003	61,939	122,236
10	37,907	48,963	63,178	124,681
11	38,665	49,942	64,441	127,175
12	39,438	50,941	65,730	129,718
13	40,227	51,960	67,045	132,313
14	41,031	52,999	68,386	134,959
15	41,852	54,059	69,753	137,658
16	42,689	55,140	71,148	140,411
17	43,543	56,243	72,571	143,220
18	44,414	57,368	74,023	146,084
19	45,302	58,515	75,503	149,006
20	46,208	59,685	77,013	151,986
21	47,132	60,879	78,554	155,025
22	48,075	62,097	80,125	158,126
23	49,036	63,339	81,727	161,288
24	50,017	64,605	83,362	164,514
25	51,017	65,897	85,029	167,804
26	52,038	67,215	86,729	171,161
27	53,078	68,560	88,464	174,584
28	54,140	69,931	90,233	178,075
29	55,223	71,329	92,038	181,637
30	56,327	72,756	93,879	185,270
31	57,454	74,211	95,756	188,975
32	58,603	75,695	97,671	192,755
Total	\$ 1,338,747	\$ 1,729,214	\$ 2,231,244	\$ 4,403,361

(1) PILOT per unit, 55 units. 2% annual increase per year

Shelter Rent calculated as 10% of total revenue (without vacancy) minus unit utilities, increased at 2% per year.

This PILOT analysis uses an aggregated tax rate for the jurisdictions to calculate future taxes. Steps in this analysis include:

- ◆ Calculate current taxes on the assessed value of the property without the Project (\$85,833).
- ◆ Calculate current taxes on the property assuming the existing buildings are demolished (\$39,092).
- ◆ Estimate future taxes on the property with the completed project. The town of Brookhaven assessor estimates the assessed value upon completion of \$90,000, generating \$382,425 in taxes.
- ◆ Assess a PILOT schedule that reduces taxes to improve Project financial performance and induce construction.

Basic Assumptions for PILOT and Estimated Taxes

Current Assessed Value (1)	\$ 20,200
Times: Tax Rate (1)	\$ 424.92
Estimated Taxes on Current Assessed Value	\$ 85,833
Estimated Taxes on Current Land Value Only (2)	\$ 39,092
Assessed Value of Improvements (1)	\$ 69,800
Total Assessed Value Upon Completion	\$ 90,000
Times: Tax Rate (1)	\$ 424.92
Estimated Taxes on Assessed Value Upon Completion	\$ 382,425

(1) Source: Agency.

(2) Removes \$11,000 of building assessed value.

Under the three PILOT payment per unit scenarios plus the 10% Shelter Rent schedule, different portions of the Applicant's taxes will be abated.

Real Property Tax Comparison

	32 Year PILOT			
<u>Comparison of Taxes on Full Value of Project and with PILOT</u>	<u>\$600</u>	<u>\$775</u>	<u>\$1,000</u>	<u>Shelter Rent</u>
Taxes without PILOT	\$ 16,213,797	\$ 16,213,797	\$ 16,213,797	\$ 16,213,797
Less: PILOT/Tax Payments	<u>\$ (1,338,747)</u>	<u>\$ (1,729,214)</u>	<u>\$ (2,231,244)</u>	<u>\$ (4,403,361)</u>
Foregone Revenue (Benefits to Project)	\$14,875,050	\$14,484,582	\$13,982,552	\$11,810,436
Abatement Percent	92%	89%	86%	73%
 <u>Net New Taxes Compared with No Project</u>				
PILOT	\$ 1,338,747	\$ 1,729,214	\$ 2,231,244	\$ 4,403,361
Less: Estimated Taxes without Project	<u>\$ (1,728,939)</u>	<u>\$ (1,728,939)</u>	<u>\$ (1,728,939)</u>	<u>\$ (1,728,939)</u>
Estimated New Tax Revenue (Benefits to Municipalities)	(\$390,193)	\$275	\$502,305	\$2,674,422

The table on the following pages shows the timeline of PILOT scenarios and tax payments generated by the Project and calculates both the benefits to the municipalities and the benefits (or savings) to the Project.

Proposed PILOT and Tax Comparison (30 year PILOT), \$600 per unit							
Year	Benefits to Municipalities			Benefit to Project			
	Payments (\$600 per unit)	Less: Current Tax Revenues (1)	Net New Tax Revenues	Taxes Owed after Project Completion (2)	Less: PILOT Payments	Estimated Savings to Project	Share of Estimated Taxes Owed
1 (Construction)	\$ -	\$ 39,092	\$ (39,092.36)	\$ 39,092	\$ -	\$ 39,092	0%
2 (Construction)	-	39,874	(39,874.21)	39,874	-	\$39,874	0%
3	33,000	40,672	(\$7,672)	397,722	33,000	364,722	8%
4	33,660	41,485	(7,825)	405,677	33,660	372,017	8%
5	34,333	42,315	(7,982)	413,790	34,333	379,457	8%
6	35,020	43,161	(8,141)	422,066	35,020	387,046	8%
7	35,720	44,024	(8,304)	430,507	35,720	394,787	8%
8	36,435	44,905	(8,470)	439,118	36,435	402,683	8%
9	37,163	45,803	(8,640)	447,900	37,163	410,737	8%
10	37,907	46,719	(8,812)	456,858	37,907	418,951	8%
25	51,017	62,878	(11,860)	614,871	51,017	563,853	8%
26	52,038	64,135	(12,097)	627,168	52,038	575,130	8%
27	53,078	65,418	(12,339)	639,711	53,078	586,633	8%
28	54,140	66,726	(12,586)	652,506	54,140	598,366	8%
29	55,223	68,061	(12,838)	665,556	55,223	610,333	8%
30	56,327	69,422	(13,095)	678,867	56,327	622,540	8%
31	57,454	70,810	(13,357)	692,444	57,454	634,990	8%
32	58,603	72,227	(13,624)	706,293	58,603	647,690	8%
Totals	\$ 1,338,747	\$ 1,728,939	\$ (390,193)	\$ 16,213,797	\$ 1,338,747	\$ 14,875,050	8%

(1) Source: Town of Brookhaven (total AV Of \$90,000 upon completion)

(2) Assumes a 2% annual increase in tax rate and a taxable value of \$90,000 upon project completion; Source: Town of Brookhaven

Proposed PILOT and Tax Comparison (30 year PILOT), \$775 per unit

Year	<i>Benefits to Municipalities</i>			<i>Benefit to Project</i>			
	Payments (\$775 per unit)	Less: Current Tax Revenues (1)	Net New Tax Revenues	Taxes Owed after Project Completion (2)	Less: PILOT Payments	Estimated Savings to Project	Share of Estimated Taxes Owed
1 (Construction)	\$ -	\$ 39,092	\$ (39,092)	\$ 39,092	\$ -	\$ 39,092	0%
2 (Construction)	-	39,874	(39,874)	39,874	-	39,874	0%
3	42,625	40,672	1,953	397,722	42,625	355,097	11%
4	43,478	41,485	1,992	405,677	43,478	362,199	11%
5	44,347	42,315	2,032	413,790	44,347	369,443	11%
6	45,234	43,161	2,073	422,066	45,234	376,832	11%
7	46,139	44,024	2,114	430,507	46,139	384,369	11%
8	47,061	44,905	2,157	439,118	47,061	392,056	11%
9	48,003	45,803	2,200	447,900	48,003	399,897	11%
10	48,963	46,719	2,244	456,858	48,963	407,895	11%
25	65,897	62,878	3,020	614,871	65,897	548,973	11%
26	67,215	64,135	3,080	627,168	67,215	559,953	11%
27	68,560	65,418	3,142	639,711	68,560	571,152	11%
28	69,931	66,726	3,205	652,506	69,931	582,575	11%
29	71,329	68,061	3,269	665,556	71,329	594,226	11%
30	72,756	69,422	3,334	678,867	72,756	606,111	11%
31	74,211	70,810	3,401	692,444	74,211	618,233	11%
32	75,695	72,227	3,469	706,293	75,695	630,598	11%
Totals	\$ 1,729,214	\$ 1,728,939	\$ 275	\$ 16,213,797	\$ 1,729,214	\$ 14,484,582	11%

(1) Source: Town of Brookhaven (total AV Of \$90,000 upon completion)

(2) Assumes a 2% annual increase in tax rate and a taxable value of \$90,000 upon project completion; Source: Town of Brookhaven

Proposed PILOT and Tax Comparison (30 year PILOT), \$1,000 per unit

Year	<i>Benefits to Municipalities</i>			<i>Benefit to Project</i>			
	Payments (\$1000 per unit)	Less: Current Tax Revenues (1)	Net New Tax Revenues	Taxes Owed after Project Completion (2)	Less: PILOT Payments	Estimated Savings to Project	Share of Estimated Taxes Owed
1 (Construction)	\$ -	\$ 39,092	\$ (39,092.36)	\$ 39,092	\$ -	\$ 39,092	0%
2 (Construction)	-	39,874	(39,874.21)	39,874	-	\$39,874	0%
3	55,000	40,672	14,328	397,722	55,000	342,722	14%
4	56,100	41,485	14,615	405,677	56,100	349,577	14%
5	57,222	42,315	14,907	413,790	57,222	356,568	14%
6	58,366	43,161	15,205	422,066	58,366	363,700	14%
7	59,534	44,024	15,509	430,507	59,534	370,974	14%
8	60,724	44,905	15,820	439,118	60,724	378,393	14%
9	61,939	45,803	16,136	447,900	61,939	385,961	14%
10	63,178	46,719	16,459	456,858	63,178	393,680	14%
25	85,029	62,878	22,151	614,871	85,029	529,842	14%
26	86,729	64,135	22,594	627,168	86,729	540,439	14%
27	88,464	65,418	23,046	639,711	88,464	551,247	14%
28	90,233	66,726	23,507	652,506	90,233	562,272	14%
29	92,038	68,061	23,977	665,556	92,038	573,518	14%
30	93,879	69,422	24,457	678,867	93,879	584,988	14%
31	95,756	70,810	24,946	692,444	95,756	596,688	14%
32	97,671	72,227	25,445	706,293	97,671	608,622	14%
Totals	\$ 2,231,244	\$ 1,728,939	\$ 502,305	\$ 16,213,797	\$ 2,231,244	\$ 13,982,552	14%

(1) Source: Town of Brookhaven (total AV Of \$90,000 upon completion)

(2) Assumes a 2% annual increase in tax rate and a taxable value of \$90,000 upon project completion; Source: Town of Brookhaven

Proposed PILOT and Tax Comparison (30 year PILOT), 10% Shelter Rent							
Year	Benefits to Municipalities			Benefit to Project			
	Payments (\$10% shelter rent per unit)	Less: Current Tax Revenues (1)	Net New Tax Revenues	Taxes Owed after Project Completion (2)	Less: PILOT Payments	Estimated Savings to Project	Share of Estimated Taxes Owed
1 (Construction)	\$ -	\$ -	\$ -	\$ 39,092	\$ -	\$ 39,092	0%
2 (Construction)	-	-	-	39,874	-	39,874	0%
3	108,543	39,874	68,668	397,722	108,542.5	289,180	27%
4	110,713	40,672	70,042	405,677	110,713.4	294,963	27%
5	112,928	41,485	71,442	413,790	112,927.6	300,863	27%
6	115,186	42,315	72,871	422,066	115,186.2	306,880	27%
7	117,490	43,161	74,329	430,507	117,489.9	313,018	27%
8	119,840	44,024	75,815	439,118	119,839.7	319,278	27%
9	122,236	44,905	77,332	447,900	122,236.5	325,663	27%
10	124,681	45,803	78,878	456,858	124,681.2	332,177	27%
25	167,804	61,645	106,160	614,871	167,804.5	447,066	27%
26	171,161	62,878	108,283	627,168	171,160.6	456,007	27%
27	174,584	64,135	110,449	639,711	174,583.8	465,128	27%
28	178,075	65,418	112,658	652,506	178,075.5	474,430	27%
29	181,637	66,726	114,911	665,556	181,637.0	483,919	27%
30	185,270	68,061	117,209	678,867	185,269.7	493,597	27%
31	188,975	69,422	119,553	692,444	188,975.1	503,469	27%
32	192,755	70,810	121,944	706,293	192,754.6	513,538	27%
Totals	\$ 4,403,361	\$ 1,617,620	\$ 2,785,741	\$ 16,213,797	\$ 4,403,361	\$ 11,810,436	27%

(1) Source: Town of Brookhaven (total AV Of \$90,000 upon completion)

(2) Assumes a 2% annual increase in tax rate and a taxable value of \$90,000 upon project completion; Source: Town of Brookhaven

3. OPERATING PERFORMANCE

The operating performance of the Project is measured using Year 5 of the Applicant’s Pro Forma. The Applicant assumes that gross revenue and expenses will escalate at 2% per year, and there will be a 5% vacancy rate once stabilized. Operating expenses are lower than the benchmarks.

All four scenarios deliver Net Operating Income as a percent of Gross Income that is within the range of benchmarks.

	Operations Snapshot, Year 5, 30 Year PILOT, \$600 per unit					Operations Snapshot, Year 5, 30 Year PILOT, \$775 per unit				
	Project Performance (1)	Share of Gross Operating Income		Benchmark Performance (2)	Evaluation	Project Performance (1)	Share of Gross Operating Income		Benchmark Performance (2)	Evaluation
		Income	Performance (2)				Income	Performance (2)		
Calculations of Net Operating Income Residential										
Gross Operating Income	\$1,267,918	98%	n/a	n/a	n/a	\$1,267,918	98%	n/a	n/a	n/a
Vacancy Rate and Concessions	5.0%	n/a	4.3%	Within range		5.0%	n/a	4.3%	Within range	
Calculations of Net Operating Income Non-Residential										
Gross Operating Income	\$24,448	2%	n/a	n/a	n/a	\$24,448	2%	n/a	n/a	n/a
Vacancy Rate	10%	n/a	n/a	n/a	n/a	10%	n/a	n/a	n/a	n/a
Effective Gross Income (EGI), All Uses (3)	\$1,226,525	95%	96%	Within range		\$1,226,525	95%	96%	Within range	
Less: Operating Expenses and Reserve	(\$521,512)	40%	49%	More efficient		(\$521,512)	40%	49%	More efficient	
<u>Less: Real Property Taxes (with PILOT)</u>	<u>(\$35,720)</u>	<u>3%</u>	<u>n/a</u>	<u>n/a</u>		<u>(\$46,139)</u>	<u>4%</u>	<u>n/a</u>	<u>n/a</u>	
Net Operating Income	\$669,293	53%	49%	Within Range		\$658,875	52%	49%	Within Range	
Less: Debt Service	<u>(\$558,183)</u>	46%	n/a	n/a		<u>(\$558,183)</u>	46%	n/a	n/a	
Cashflow after Operating Costs, Taxes, Debt	\$111,110	9%	n/a	n/a		\$100,692	8%	n/a	n/a	
Calculations of Net Operating Income Residential - 10% Shelter Rent										
Gross Operating Income	\$1,267,918	98%	n/a	n/a	n/a	\$1,267,918	98%	n/a	n/a	n/a
Vacancy Rate and Concessions	5.0%	n/a	4.3%	Within range		0.0%	n/a	4.3%	Within range	
Calculations of Net Operating Income Non-Residential - 10% Shelter Rent										
Gross Operating Income	\$24,448	2%	n/a	n/a	n/a	\$24,448	2%	n/a	n/a	n/a
Vacancy Rate	10%	n/a	n/a	n/a	n/a	0%	n/a	n/a	n/a	n/a
Effective Gross Income (EGI), All Uses (3)	\$1,226,525	95%	96%	Within range		\$1,226,525	95%	96%	Within range	
Less: Operating Expenses and Reserve	(\$521,512)	40%	49%	More efficient		(\$521,512)	40%	49%	More efficient	
<u>Less: Real Property Taxes (with PILOT)</u>	<u>(\$59,534)</u>	<u>5%</u>	<u>n/a</u>	<u>n/a</u>		<u>(\$117,490)</u>	<u>9%</u>	<u>n/a</u>	<u>n/a</u>	
Net Operating Income	\$645,480	51%	49%	Within Range		\$587,523	46%	49%	Within Range	
Less: Debt Service	<u>(\$558,183)</u>	46%	n/a	n/a		<u>(\$558,183)</u>	46%	n/a	n/a	
Cashflow after Operating Costs, Taxes, Debt	\$87,297	7%	n/a	n/a		\$29,341	2%	n/a	n/a	

(1) Source: Applicant
 (2) Source: RealtyRates Q1 2023 for Northeast Region
 (3) Net of vacancy and concessions

4. FINANCING PLAN

- ◆ The Sources and Uses of Funds show the total project costs and capital structure of debt and equity.
- ◆ The Terms of the Senior (Long Term) Debt are within the range of benchmarks.

Sources and Uses of Funds		
<u>Sources of Funds</u>	<u>Amount (1)</u>	<u>Share</u>
First Mortgage (CPC)	\$ 6,730,000	20%
Second Mortgage (HTF)	6,875,000	20%
Third Mortgage (Suffolk County Acquisition)	625,000	2%
Fourth Mortgage (Suffolk County Infrastructure)	625,000	2%
Federal Tax Credit Equity (LIHTC)	13,216,177	39%
State Tax Credit Equity (SLIHC)	3,637,135	11%
Solar PV Tax Credit Equity	83,245	0%
<u>Deferred Developer's Fee</u>	<u>1,844,911</u>	<u>5%</u>
Total Sources	\$ 33,636,468	100%
<u>Uses of Funds</u>		
Acquisition Cost	\$ 3,200,000	10%
Construction Cost	18,861,036	56%
Soft Cost	6,026,058	18%
Contingency	1,109,153	3%
Developer's Fee	3,767,347	11%
Working Capital	147,250	0%
<u>Reserves</u>	<u>525,624</u>	<u>2%</u>
Total Uses	\$33,636,468	100%
(1) Source: Applicant		

Terms of the Senior (Long Term) Debt			
	<u>Terms (1)</u>	<u>Benchmark (2)</u>	<u>Evaluation</u>
Amount Borrowed	\$14,855,000	n/a	n/a
Loan to Total Project Cost	44%	55% to 90%	More Efficient
Annual Interest Rate	6.75%	4.59% to 8.77%	Within Range
Maturity in Years	30	15 to 40	Within Range

(1) Source: Applicant

(2) Source: RealtyRates Q1 2023

5. RATE OF RETURN

An estimated return on investment is calculated using the Applicant's operating pro forma and capital structure. This analysis measures whether the financial assistance is necessary and reasonable. Financial performance without a PILOT and under the three scenarios are analyzed over the full PILOT period (starting after construction). Three metrics are used to evaluate outcomes:

- ◆ **The Equity Dividend Rate** is net cashflow for each year, divided by the initial equity investment. Equity Dividend Rates are benchmarked using current market information from RealtyRates.com for similar projects in the region. Equity Dividend Rates that are close to the benchmarks indicate a Project outcome in line with the current market, which means the Applicant is earning a reasonable return. Very low or negative rates indicate the Project is unlikely to be undertaken if compared to other possible investments. Equity Dividend Rates are based on an initial equity investment of \$1,886,115 listed in the Application.

- ◆ **Cash Flow** shows net cashflow to the Applicant over time. Cashflow differences between No PILOT and the three scenarios indicate whether the Applicant is earning a return. There are currently no benchmarks for cash flow available. Cumulative Cash Flow and average cash flow are positive under the four scenarios. Note that this does not include the initial years of construction, but only once fully operational.

- ◆ **Debt Service Coverage** estimates how well the Project's net income, after taxes, supports the repayment of debt. Debt Service Coverage exceeds the benchmark by year 1 under all PILOT scenarios.

Comparison of Return on Investment

	No PILOT	30 Year (1)			Shelter Rent	Bench- marks (2)
		\$600	\$775	\$1,000		
<u>Equity Dividend Rates</u>						
Average	-7.13%	9.07%	8.38%	7.50%	3.66%	4.78% to 12.72%
Minimum	-15.95%	4.34%	3.83%	3.17%	0.34%	
Maximum	0.00%	12.09%	11.19%	10.04%	5.27%	
Year Benchmarks Met	NA	3	4	6	15	
<u>Cash Flow</u>						
Average	\$ (134,521)	\$171,144	\$158,129	\$141,395	\$68,991	n/a
Minimum	\$ (300,767)	\$81,872	\$72,247	\$59,872	\$6,329	
Maximum	10	\$228,112	\$211,020	\$189,382	\$99,304	
Cumulative	\$ (4,035,625)	\$5,134,333	\$4,743,866	\$4,241,836	\$2,069,719	
Year Investment Recouped	NA	15	16	17	25	
<u>Debt Service Coverage</u>						
Average	0.42	1.31	1.28	1.25	1.12	1.00 to 1.86
Minimum	0.25	1.15	1.13	1.11	1.01	
Maximum	0.49	1.41	1.38	1.34	1.18	
Years Benchmarks Met	NA	1	1	1	1	

(1) See Attachment 1

(2) Source: RealtyRates for Q1 2023 for Northeast Region

ATTACHMENT 1: PRO FORMAS

The Grove Apartments	Date	Annual Cashflows (Pro Forma)																	
		Construction	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Operating Cash Flow																			
Residential Income																			
Gross Operating Income	\$	-	\$	1,165,860	1,189,177	1,212,961	1,237,220	1,261,964	1,287,204	1,312,948	1,339,207	1,365,991	1,393,311	1,875,213	1,912,717	1,950,971	1,989,991	2,029,790	2,070,386
Less: Vacancy Allowance (enter as a negative number)	\$	-	\$	(58,293)	(59,459)	(60,648)	(61,861)	(63,098)	(64,360)	(65,647)	(66,960)	(68,300)	(69,666)	(93,761)	(95,636)	(97,549)	(99,500)	(101,490)	(103,519)
Net Rental Income, Residential	\$	-	\$	1,107,567	1,129,718	1,152,313	1,175,359	1,198,866	1,222,843	1,247,300	1,272,246	1,297,691	1,323,645	1,781,452	1,817,081	1,853,423	1,890,491	1,928,301	1,966,867
Commercial/Industrial Income																			
Gross Operating Income	\$	-	\$	22,586	23,038	23,498	23,968	24,448	24,937	25,436	25,944	26,463	26,992	36,328	37,055	37,796	38,552	39,323	40,109
Less: Vacancy Allowance (enter as a negative number)	\$	-	\$	(2,259)	(2,304)	(2,350)	(2,397)	(2,445)	(2,494)	(2,544)	(2,594)	(2,646)	(2,699)	(3,633)	(3,705)	(3,780)	(3,855)	(3,932)	(4,011)
Net Rental Income, Commercial/Industrial	\$	-	\$	20,327	20,734	21,149	21,572	22,003	22,443	22,892	23,350	23,817	24,293	32,695	33,349	34,016	34,697	35,390	36,098
Other Income																			
Laundry/Incidental	\$	-	\$	5,500	5,610	5,722	5,837	5,953	6,072	6,194	6,318	6,444	6,573	8,846	9,023	9,204	9,388	9,576	9,767
Less: Vacancy Allowance (enter as a negative number)	\$	-	\$	(275)	(281)	(286)	(292)	(298)	(304)	(310)	(316)	(322)	(329)	(442)	(451)	(460)	(469)	(479)	(488)
Net Income, Other	\$	-	\$	5,225	5,330	5,436	5,545	5,656	5,769	5,884	6,002	6,122	6,244	8,404	8,572	8,744	8,918	9,097	9,279
Effective Gross Income (EGI)	\$	-	\$	1,133,119	1,155,782	1,178,897	1,202,475	1,226,525	1,251,055	1,276,076	1,301,598	1,327,630	1,354,183	1,822,551	1,859,002	1,896,183	1,934,106	1,972,788	2,012,244
Operating Expenses (enter positive numbers)																			
Accounting & Audit	\$	-	\$	14,000	14,420	14,852	15,298	15,757	16,230	16,717	17,218	17,725	18,247	28,459	29,313	30,192	31,098	32,031	32,992
Legal	\$	-	\$	9,900	10,197	10,503	10,818	11,143	11,477	11,821	12,176	12,541	12,917	20,125	20,728	21,350	21,991	22,650	23,330
Benchmarking	\$	-	\$	495	510	525	541	557	574	591	609	627	646	1,006	1,036	1,068	1,100	1,133	1,166
Office Supplies & Equipment	\$	-	\$	2,443	2,516	2,592	2,670	2,750	2,832	2,917	3,005	3,095	3,188	4,966	5,115	5,269	5,427	5,589	5,757
Other Admin.	\$	-	\$	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610	4,066	4,188	4,313	4,443	4,576	4,713
Manager	\$	-	\$	35,000	36,050	37,132	38,245	39,393	40,576	41,792	43,046	44,337	45,667	71,148	73,282	75,481	77,745	80,077	82,480
Superintendent	\$	-	\$	70,596	72,714	74,895	77,142	79,456	81,840	84,295	86,824	89,429	92,112	143,507	147,812	152,247	156,814	161,519	166,364
Janitor and Cleaning Supplies	\$	-	\$	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219	8,131	8,375	8,626	8,885	9,152	9,426
Exterminating	\$	-	\$	3,840	3,955	4,074	4,196	4,322	4,452	4,585	4,723	4,864	5,010	7,806	8,040	8,281	8,530	8,786	9,049
Garbage and Trash Removal	\$	-	\$	12,100	12,463	12,837	13,222	13,619	14,027	14,448	14,881	15,328	15,788	24,597	25,335	26,095	26,878	27,684	28,514
Ground Expense	\$	-	\$	9,000	9,270	9,548	9,835	10,130	10,433	10,746	11,069	11,401	11,743	18,295	18,844	19,409	19,992	20,591	21,209
Maintenance and Repair Materials	\$	-	\$	11,000	11,330	11,670	12,020	12,381	12,752	13,135	13,529	13,934	14,353	22,361	23,032	23,723	24,434	25,167	25,922
Maintenance and Repair Contracts	\$	-	\$	33,000	33,990	35,010	36,060	37,142	38,256	39,404	40,586	41,803	43,058	67,082	69,095	71,168	73,303	75,502	77,767
Snow Removal	\$	-	\$	14,000	14,420	14,852	15,298	15,757	16,230	16,717	17,218	17,735	18,267	28,459	29,313	30,192	31,098	32,031	32,992
Painting/Carpet	\$	-	\$	2,050	2,112	2,175	2,240	2,307	2,377	2,448	2,521	2,597	2,675	4,167	4,292	4,421	4,554	4,690	4,831
Electricity (Common Areas/Site)	\$	-	\$	20,011	20,611	21,230	21,867	22,523	23,198	23,894	24,611	25,349	26,110	40,678	41,899	43,156	44,450	45,784	47,157
Water/Sewer	\$	-	\$	12,232	12,599	12,977	13,366	13,767	14,180	14,606	15,044	15,495	15,960	24,865	25,611	26,379	27,171	27,986	28,826
Broadband Internet	\$	-	\$	14,586	15,024	15,474	15,939	16,417	16,909	17,416	17,939	18,477	19,031	29,650	30,540	31,456	32,400	33,372	34,373
Property and Liability Insurance	\$	-	\$	101,750	106,529	111,114	116,114	121,339	126,799	132,505	138,468	144,699	151,210	292,634	305,803	319,564	333,944	348,972	364,676
Fidelity Bond Insurance	\$	-	\$	792	828	865	904	944	987	1,031	1,078	1,126	1,177	2,278	2,380	2,487	2,599	2,716	2,839
Management Fee	\$	-	\$	66,768	68,103	69,465	70,855	72,272	73,717	75,192	76,695	78,229	79,794	107,392	109,540	111,721	113,965	116,245	118,570
HCR Monitoring Fee	\$	-	\$	6,752	6,887	7,025	7,165	7,309	7,455	7,604	7,756	7,911	8,069	10,860	11,077	11,299	11,525	11,755	11,991
Replacement Reserve	\$	-	\$	13,750	14,163	14,587	15,025	15,476	15,940	16,418	16,911	17,418	17,941	27,951	28,789	29,653	30,543	31,459	32,403
Operating Expenses	\$	-	\$	460,065	474,670	489,767	505,375	521,512	538,195	555,446	573,285	591,732	610,810	990,484	1,023,440	1,057,560	1,092,887	1,129,467	1,167,346
Pre-Tax Operating Income (Revenue less Operating Expenses)	\$	-	\$	673,054	681,112	689,130	697,100	705,013	712,860	720,630	728,313	735,898	743,373	832,067	835,563	838,623	841,219	843,322	844,898
Real Property Taxes (PILOT Payments)	\$	39,092	\$	39,874	40,577	41,370	42,266	43,057	43,918	44,790	45,688	46,595	47,515	639,711	652,506	665,556	678,867	692,444	706,293
Net Operating Income (NOI) after Taxes	\$	(39,092)	\$	(39,874)	275,332	275,435	275,340	275,034	274,506	273,742	272,730	271,455	269,903	192,356	183,057	173,067	162,352	150,877	138,605
Loan or Mortgage (Debt Service)																			
1st Mortgage	\$	-	\$	1,743,567	1,743,567	452,083	447,089	441,747	436,033	429,922	423,385	416,393	408,913	400,914	392,357	383,271	373,660	363,525	352,857
Interest (Also Included in "Project Information")	\$	1,743,567	\$	1,743,567	452,083	447,089	441,747	436,033	429,922	423,385	416,393	408,913	400,914	392,357	383,271	373,660	363,525	352,857	342,170
Principal	\$	21,164,644	\$	21,164,644	71,725	76,719	82,061	87,774	93,886	100,423	107,415	114,894	122,894	131,451	257,686	257,686	257,686	257,686	257,686
2nd Mortgage	\$	-	\$	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375
Interest Only	\$	-	\$	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375	34,375
Debt Service	\$	22,908,211	\$	22,908,211	558,183	558,183	558,183	558,183	558,183	558,183	558,183	558,183	558,183	558,183	558,183	558,183	558,183	558,183	558,183
Cash Flow After Financing and Reserve	\$	(22,947,303)	\$	(22,948,085)	(282,851)	(282,748)	(282,843)	(283,149)	(283,677)	(284,440)	(285,453)	(286,723)	(288,280)	(290,125)	6	6	7	8	9
Debt Service Coverage Ratio (DSCR)				0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.48	0.48	0.34	0.33	0.31	0.29	0.27	0.25
Equity Dividend Rate				-15.00%	-14.99%	-15.00%	-15.01%	-15.04%	-15.08%	-15.13%	-15.20%	-15.28%	-15.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Reasonableness Assessment for GGV Grove Apartments LLC, Town of Brookhaven Industrial Development Agency

The Grove Apartments	Date	4/26/2023																
Annual Cashflows (Pro Forma), \$500 per unit																		
	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	
Operating Cash Flow																		
Residential Income																		
Gross Operating Income	\$ -	\$ 1,165,860	\$ 1,188,177	\$ 1,212,961	\$ 1,237,220	\$ 1,261,964	\$ 1,287,204	\$ 1,312,948	\$ 1,339,207	\$ 1,365,991	\$ 1,393,311	\$ 1,875,213	\$ 1,912,717	\$ 1,950,871	\$ 1,989,991	\$ 2,029,790	\$ 2,070,396	
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ (98,293)	\$ (9,459)	\$ (60,648)	\$ (61,861)	\$ (62,098)	\$ (64,340)	\$ (65,647)	\$ (66,960)	\$ (68,290)	\$ (69,645)	\$ (93,761)	\$ (95,630)	\$ (97,549)	\$ (99,500)	\$ (101,490)	\$ (103,519)	
Net Rental Income, Residential	\$ -	\$ 1,107,567	\$ 1,129,718	\$ 1,152,313	\$ 1,175,359	\$ 1,198,866	\$ 1,222,843	\$ 1,247,300	\$ 1,272,246	\$ 1,297,691	\$ 1,323,645	\$ 1,781,452	\$ 1,817,081	\$ 1,853,423	\$ 1,890,491	\$ 1,928,301	\$ 1,966,867	
Commercial/Industrial Income																		
Gross Operating Income	\$ -	\$ 22,586	\$ 23,038	\$ 23,498	\$ 23,968	\$ 24,448	\$ 24,937	\$ 25,436	\$ 25,944	\$ 26,463	\$ 26,992	\$ 36,328	\$ 37,055	\$ 37,796	\$ 38,552	\$ 39,323	\$ 40,109	
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ (2,259)	\$ (2,304)	\$ (2,350)	\$ (2,397)	\$ (2,445)	\$ (2,494)	\$ (2,544)	\$ (2,594)	\$ (2,646)	\$ (2,699)	\$ (3,633)	\$ (3,705)	\$ (3,780)	\$ (3,855)	\$ (3,932)	\$ (4,011)	
Net Rental Income, Commercial/Industrial	\$ -	\$ 20,327	\$ 20,734	\$ 21,149	\$ 21,572	\$ 22,003	\$ 22,443	\$ 22,892	\$ 23,350	\$ 23,817	\$ 24,293	\$ 32,695	\$ 33,349	\$ 34,016	\$ 34,697	\$ 35,390	\$ 36,098	
Other Income																		
Laundry/Ancillary	\$ -	\$ 5,500	\$ 5,610	\$ 5,722	\$ 5,837	\$ 5,953	\$ 6,072	\$ 6,194	\$ 6,318	\$ 6,444	\$ 6,573	\$ 8,846	\$ 9,023	\$ 9,204	\$ 9,388	\$ 9,576	\$ 9,767	
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ (275)	\$ (281)	\$ (286)	\$ (292)	\$ (298)	\$ (304)	\$ (310)	\$ (316)	\$ (322)	\$ (329)	\$ (442)	\$ (451)	\$ (460)	\$ (469)	\$ (479)	\$ (488)	
Net Income, Other	\$ -	\$ 5,225	\$ 5,330	\$ 5,436	\$ 5,545	\$ 5,656	\$ 5,769	\$ 5,884	\$ 6,002	\$ 6,122	\$ 6,244	\$ 8,404	\$ 8,572	\$ 8,744	\$ 8,918	\$ 9,097	\$ 9,279	
Effective Gross Income (EGI)	\$ -	\$ 1,133,119	\$ 1,155,782	\$ 1,178,897	\$ 1,202,475	\$ 1,226,525	\$ 1,251,055	\$ 1,276,076	\$ 1,301,598	\$ 1,327,630	\$ 1,354,183	\$ 1,822,551	\$ 1,859,002	\$ 1,896,183	\$ 1,934,106	\$ 1,972,788	\$ 2,012,244	
Operating Expenses (enter positive numbers)																		
Accounting & Audit	\$ -	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992	
Legal	\$ -	\$ 9,900	\$ 10,197	\$ 10,503	\$ 10,818	\$ 11,143	\$ 11,477	\$ 11,821	\$ 12,176	\$ 12,541	\$ 12,917	\$ 20,125	\$ 20,728	\$ 21,350	\$ 21,991	\$ 22,650	\$ 23,330	
Benchmarking	\$ -	\$ 495	\$ 510	\$ 525	\$ 541	\$ 557	\$ 574	\$ 591	\$ 609	\$ 627	\$ 646	\$ 1,006	\$ 1,036	\$ 1,068	\$ 1,100	\$ 1,133	\$ 1,166	
Office Supplies & Equipment	\$ -	\$ 2,443	\$ 2,516	\$ 2,592	\$ 2,670	\$ 2,750	\$ 2,832	\$ 2,917	\$ 3,005	\$ 3,095	\$ 3,188	\$ 4,966	\$ 5,115	\$ 5,269	\$ 5,427	\$ 5,589	\$ 5,757	
Other Admin.	\$ -	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319	\$ 2,388	\$ 2,460	\$ 2,534	\$ 2,611	\$ 4,066	\$ 4,188	\$ 4,313	\$ 4,443	\$ 4,576	\$ 4,713	
Manager	\$ -	\$ 35,000	\$ 36,050	\$ 37,132	\$ 38,245	\$ 39,393	\$ 40,575	\$ 41,792	\$ 43,046	\$ 44,337	\$ 45,667	\$ 71,148	\$ 72,282	\$ 73,451	\$ 74,658	\$ 75,903	\$ 77,187	
Superintendent	\$ -	\$ 70,596	\$ 72,714	\$ 74,895	\$ 77,142	\$ 79,456	\$ 81,840	\$ 84,295	\$ 86,824	\$ 89,429	\$ 92,112	\$ 143,507	\$ 147,812	\$ 152,247	\$ 156,814	\$ 161,519	\$ 166,364	
Janitor and Cleaning Supplies	\$ -	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219	\$ 8,131	\$ 8,375	\$ 8,626	\$ 8,885	\$ 9,152	\$ 9,426	
Exterminating	\$ -	\$ 3,840	\$ 3,955	\$ 4,074	\$ 4,196	\$ 4,322	\$ 4,452	\$ 4,585	\$ 4,723	\$ 4,864	\$ 5,010	\$ 7,806	\$ 8,040	\$ 8,281	\$ 8,530	\$ 8,786	\$ 9,049	
Garbage and Trash Removal	\$ -	\$ 12,100	\$ 12,463	\$ 12,837	\$ 13,222	\$ 13,619	\$ 14,027	\$ 14,448	\$ 14,881	\$ 15,328	\$ 15,788	\$ 24,597	\$ 25,335	\$ 26,095	\$ 26,878	\$ 27,684	\$ 28,514	
Ground Expense	\$ -	\$ 9,000	\$ 9,270	\$ 9,548	\$ 9,835	\$ 10,130	\$ 10,433	\$ 10,746	\$ 11,069	\$ 11,401	\$ 11,743	\$ 18,295	\$ 18,844	\$ 19,409	\$ 19,992	\$ 20,591	\$ 21,209	
Maintenance and Repair Materials	\$ -	\$ 11,000	\$ 11,330	\$ 11,670	\$ 12,020	\$ 12,381	\$ 12,752	\$ 13,135	\$ 13,529	\$ 13,934	\$ 14,351	\$ 22,361	\$ 23,022	\$ 23,723	\$ 24,464	\$ 25,167	\$ 25,922	
Maintenance and Repair Contracts	\$ -	\$ 33,000	\$ 33,990	\$ 35,010	\$ 36,060	\$ 37,142	\$ 38,256	\$ 39,404	\$ 40,586	\$ 41,803	\$ 43,058	\$ 67,082	\$ 69,095	\$ 71,168	\$ 73,303	\$ 75,502	\$ 77,767	
Snow Removal	\$ -	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992	
Painting/Carpet	\$ -	\$ 2,050	\$ 2,112	\$ 2,175	\$ 2,240	\$ 2,307	\$ 2,377	\$ 2,448	\$ 2,521	\$ 2,597	\$ 2,675	\$ 4,167	\$ 4,292	\$ 4,421	\$ 4,554	\$ 4,690	\$ 4,831	
Electricity (Common Areas/Site)	\$ -	\$ 20,011	\$ 20,611	\$ 21,230	\$ 21,867	\$ 22,523	\$ 23,198	\$ 23,894	\$ 24,611	\$ 25,349	\$ 26,110	\$ 40,678	\$ 41,899	\$ 43,156	\$ 44,450	\$ 45,784	\$ 47,157	
Water/Sewer	\$ -	\$ 12,232	\$ 12,599	\$ 12,977	\$ 13,366	\$ 13,767	\$ 14,180	\$ 14,606	\$ 15,044	\$ 15,495	\$ 15,960	\$ 24,865	\$ 25,611	\$ 26,379	\$ 27,171	\$ 27,986	\$ 28,826	
Broadband Internet	\$ -	\$ 14,586	\$ 15,024	\$ 15,474	\$ 15,939	\$ 16,417	\$ 16,909	\$ 17,416	\$ 17,939	\$ 18,477	\$ 19,031	\$ 29,550	\$ 30,540	\$ 31,456	\$ 32,400	\$ 33,372	\$ 34,373	
Property and Liability Insurance	\$ -	\$ 101,750	\$ 106,329	\$ 111,114	\$ 116,114	\$ 121,339	\$ 126,799	\$ 132,505	\$ 138,468	\$ 144,699	\$ 151,210	\$ 292,634	\$ 305,803	\$ 319,554	\$ 333,944	\$ 348,972	\$ 364,676	
Fidelity Bond Insurance	\$ -	\$ 792	\$ 828	\$ 865	\$ 904	\$ 944	\$ 987	\$ 1,031	\$ 1,078	\$ 1,126	\$ 1,177	\$ 2,278	\$ 2,380	\$ 2,487	\$ 2,599	\$ 2,716	\$ 2,839	
Management Fee	\$ -	\$ 66,768	\$ 68,103	\$ 69,465	\$ 70,855	\$ 72,272	\$ 73,717	\$ 75,192	\$ 76,695	\$ 78,229	\$ 79,794	\$ 107,392	\$ 109,540	\$ 111,731	\$ 113,965	\$ 116,245	\$ 118,570	
HCR Monitoring Fee	\$ -	\$ 6,752	\$ 6,887	\$ 7,025	\$ 7,165	\$ 7,309	\$ 7,455	\$ 7,604	\$ 7,756	\$ 7,911	\$ 8,069	\$ 10,860	\$ 11,077	\$ 11,299	\$ 11,525	\$ 11,755	\$ 11,991	
Replacement Reserve	\$ -	\$ 13,750	\$ 14,163	\$ 14,587	\$ 15,025	\$ 15,476	\$ 15,940	\$ 16,418	\$ 16,911	\$ 17,418	\$ 17,941	\$ 27,951	\$ 28,789	\$ 29,653	\$ 30,543	\$ 31,459	\$ 32,403	
Operating Expenses	\$ -	\$ 460,065	\$ 474,670	\$ 489,767	\$ 505,375	\$ 521,512	\$ 538,195	\$ 555,446	\$ 573,285	\$ 591,732	\$ 610,810	\$ 990,484	\$ 1,023,440	\$ 1,057,560	\$ 1,092,887	\$ 1,129,467	\$ 1,167,346	
Pre-Tax Operating Income (Revenue less Operating Expenses)	\$ -	\$ 673,054	\$ 681,112	\$ 689,130	\$ 697,100	\$ 705,013	\$ 712,860	\$ 720,630	\$ 728,313	\$ 735,898	\$ 743,373	\$ 832,067	\$ 835,563	\$ 838,623	\$ 841,219	\$ 843,322	\$ 844,898	
Real Property Taxes (PILOT Payments)	\$600	\$ 39,092	\$ 39,874	\$ 40,660	\$ 41,452	\$ 42,250	\$ 43,054	\$ 43,863	\$ 44,678	\$ 45,498	\$ 46,323	\$ 53,078	\$ 54,140	\$ 55,223	\$ 56,327	\$ 57,454	\$ 58,603	
Net Operating Income (NOI) after Taxes	\$ (39,092)	\$ (39,874)	\$ 640,054	\$ 647,452	\$ 654,797	\$ 662,080	\$ 669,293	\$ 676,425	\$ 683,467	\$ 690,407	\$ 697,233	\$ 703,935	\$ 778,989	\$ 781,423	\$ 783,400	\$ 784,892	\$ 785,868	\$ 786,295
Loan or Mortgage (Debt Service)																		
1st Mortgage																		
Interest (Also Included in "Project Information")	\$ 1,743,567	\$ 1,743,567	\$ 452,083	\$ 447,089	\$ 441,747	\$ 436,033	\$ 429,922	\$ 423,385	\$ 416,393	\$ 408,913	\$ 400,914	\$ 392,357	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	
Principal	\$ 21,164,644	\$ 21,164,644	\$ 71,725	\$ 76,719	\$ 82,061	\$ 87,774	\$ 93,886	\$ 100,423	\$ 107,415	\$ 114,894	\$ 122,894	\$ 131,451	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	
2nd Mortgage																		
Interest Only	\$ -	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	
Debt Service	\$ 22,908,211	\$ 22,908,211	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	
Cash Flow After Financing and Reserve	\$ (22,947,303)	\$ (22,948,085)	\$ 81,872	\$ 89,269	\$ 96,614	\$ 103,897	\$ 111,110	\$ 118,243	\$ 125,284	\$ 132,224	\$ 139,050	\$ 145,752	\$ 220,806	\$ 223,240	\$ 225,217	\$ 226,709	\$ 227,685	\$ 228,112
Debt Service Coverage Ratio (DSCR)		1.15	1.16	1.17	1.19	1.20	1.21	1.22	1.24	1.25	1.26	1.40	1.40	1.40	1.41	1.41	1.41	
Equity Dividend Rate		4.34%	4.73%	5.12%	5.51%	5.89%	6.27%	6.64%	7.01%	7.37%	7.73%	11.71%	11.84%	11.94%	12.02%	12.07%	12.09%	

Reasonableness Assessment for GGV Grove Apartments LLC, Town of Brookhaven Industrial Development Agency

The Grove Apartments		Date		4/26/2023														
		Annual Cashflows (Pro Forma), \$775 per unit																
		Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Operating Cash Flow																		
<u>Residential Income</u>																		
Gross Operating Income	\$ -	\$ 1,165,860	\$ 1,189,177	\$ 1,212,961	\$ 1,237,220	\$ 1,261,964	\$ 1,287,204	\$ 1,312,948	\$ 1,339,207	\$ 1,365,991	\$ 1,393,311	\$ 1,875,213	\$ 1,912,717	\$ 1,950,971	\$ 1,989,991	\$ 2,029,790	\$ 2,070,386	
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ (58,793)	\$ (59,459)	\$ (60,648)	\$ (61,861)	\$ (63,098)	\$ (64,360)	\$ (65,647)	\$ (66,960)	\$ (68,300)	\$ (69,668)	\$ (93,710)	\$ (95,636)	\$ (97,549)	\$ (99,500)	\$ (101,590)	\$ (103,719)	
Net Rental Income, Residential	\$ -	\$ 1,107,067	\$ 1,129,718	\$ 1,152,313	\$ 1,175,359	\$ 1,198,866	\$ 1,222,843	\$ 1,247,300	\$ 1,272,246	\$ 1,297,691	\$ 1,323,643	\$ 1,781,452	\$ 1,817,081	\$ 1,853,423	\$ 1,890,491	\$ 1,928,301	\$ 1,966,867	
<u>Commercial/Industrial Income</u>																		
Gross Operating Income	\$ -	\$ 22,586	\$ 23,038	\$ 23,498	\$ 23,968	\$ 24,448	\$ 24,937	\$ 25,436	\$ 25,944	\$ 26,463	\$ 26,992	\$ 36,328	\$ 37,055	\$ 37,796	\$ 38,552	\$ 39,323	\$ 40,109	
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ (2,259)	\$ (2,304)	\$ (2,350)	\$ (2,397)	\$ (2,445)	\$ (2,494)	\$ (2,544)	\$ (2,594)	\$ (2,646)	\$ (2,699)	\$ (3,633)	\$ (3,705)	\$ (3,780)	\$ (3,855)	\$ (3,932)	\$ (4,011)	
Net Rental Income, Commercial/Industrial	\$ -	\$ 20,327	\$ 20,734	\$ 21,149	\$ 21,572	\$ 22,003	\$ 22,443	\$ 22,892	\$ 23,350	\$ 23,817	\$ 24,293	\$ 32,695	\$ 33,349	\$ 34,016	\$ 34,697	\$ 35,390	\$ 36,098	
<u>Other Income</u>																		
Laundry/Ancillary	\$ -	\$ 5,500	\$ 5,610	\$ 5,722	\$ 5,837	\$ 5,953	\$ 6,072	\$ 6,194	\$ 6,318	\$ 6,444	\$ 6,573	\$ 8,846	\$ 9,023	\$ 9,204	\$ 9,388	\$ 9,576	\$ 9,767	
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ (275)	\$ (281)	\$ (286)	\$ (292)	\$ (298)	\$ (304)	\$ (310)	\$ (316)	\$ (322)	\$ (329)	\$ (442)	\$ (451)	\$ (460)	\$ (469)	\$ (479)	\$ (488)	
Net Income, Other	\$ -	\$ 5,225	\$ 5,330	\$ 5,436	\$ 5,545	\$ 5,656	\$ 5,769	\$ 5,884	\$ 6,002	\$ 6,122	\$ 6,244	\$ 8,404	\$ 8,572	\$ 8,744	\$ 8,918	\$ 9,097	\$ 9,279	
Effective Gross Income (EGI)	\$ -	\$ 1,133,119	\$ 1,155,782	\$ 1,178,897	\$ 1,202,475	\$ 1,226,525	\$ 1,251,055	\$ 1,276,076	\$ 1,301,598	\$ 1,327,630	\$ 1,354,183	\$ 1,822,551	\$ 1,859,002	\$ 1,896,183	\$ 1,934,106	\$ 1,972,788	\$ 2,012,244	
<u>Operating Expenses (enter positive numbers)</u>																		
Accounting & Audit	\$ -	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992	
Legal	\$ -	\$ 9,900	\$ 10,197	\$ 10,503	\$ 10,818	\$ 11,143	\$ 11,477	\$ 11,821	\$ 12,176	\$ 12,541	\$ 12,917	\$ 20,125	\$ 20,728	\$ 21,350	\$ 21,991	\$ 22,650	\$ 23,330	
Benchmarking	\$ -	\$ 495	\$ 510	\$ 525	\$ 541	\$ 557	\$ 574	\$ 591	\$ 609	\$ 627	\$ 646	\$ 1,006	\$ 1,036	\$ 1,068	\$ 1,100	\$ 1,133	\$ 1,166	
Office Supplies & Equipment	\$ -	\$ 2,443	\$ 2,516	\$ 2,592	\$ 2,670	\$ 2,750	\$ 2,832	\$ 2,917	\$ 3,005	\$ 3,095	\$ 3,188	\$ 4,966	\$ 5,115	\$ 5,269	\$ 5,427	\$ 5,589	\$ 5,757	
Other Admin.	\$ -	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319	\$ 2,388	\$ 2,460	\$ 2,534	\$ 2,610	\$ 4,066	\$ 4,188	\$ 4,315	\$ 4,443	\$ 4,576	\$ 4,713	
Manager	\$ -	\$ 35,000	\$ 36,050	\$ 37,132	\$ 38,245	\$ 39,389	\$ 40,575	\$ 41,792	\$ 43,046	\$ 44,337	\$ 45,667	\$ 71,148	\$ 73,282	\$ 75,481	\$ 77,745	\$ 80,077	\$ 82,400	
Superintendent	\$ -	\$ 70,596	\$ 72,714	\$ 74,895	\$ 77,142	\$ 79,456	\$ 81,840	\$ 84,295	\$ 86,824	\$ 89,429	\$ 92,112	\$ 143,507	\$ 147,812	\$ 152,247	\$ 156,814	\$ 161,519	\$ 166,364	
Janitor and Cleaning Supplies	\$ -	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219	\$ 8,131	\$ 8,375	\$ 8,626	\$ 8,885	\$ 9,152	\$ 9,426	
Exterminating	\$ -	\$ 3,840	\$ 3,955	\$ 4,074	\$ 4,196	\$ 4,322	\$ 4,452	\$ 4,585	\$ 4,723	\$ 4,864	\$ 5,010	\$ 7,806	\$ 8,040	\$ 8,281	\$ 8,530	\$ 8,786	\$ 9,049	
Garbage and Trash Removal	\$ -	\$ 12,100	\$ 12,463	\$ 12,837	\$ 13,222	\$ 13,619	\$ 14,027	\$ 14,448	\$ 14,881	\$ 15,326	\$ 15,783	\$ 24,597	\$ 25,335	\$ 26,095	\$ 26,878	\$ 27,684	\$ 28,514	
Ground Expense	\$ -	\$ 9,000	\$ 9,270	\$ 9,548	\$ 9,835	\$ 10,130	\$ 10,433	\$ 10,746	\$ 11,069	\$ 11,401	\$ 11,743	\$ 18,295	\$ 18,844	\$ 19,409	\$ 19,992	\$ 20,591	\$ 21,209	
Maintenance and Repair Materials	\$ -	\$ 11,000	\$ 11,330	\$ 11,670	\$ 12,020	\$ 12,381	\$ 12,752	\$ 13,135	\$ 13,529	\$ 13,934	\$ 14,353	\$ 22,361	\$ 23,032	\$ 23,723	\$ 24,434	\$ 25,167	\$ 25,922	
Maintenance and Repair Contracts	\$ -	\$ 33,000	\$ 33,990	\$ 35,010	\$ 36,060	\$ 37,142	\$ 38,256	\$ 39,404	\$ 40,586	\$ 41,803	\$ 43,057	\$ 67,082	\$ 69,095	\$ 71,168	\$ 73,303	\$ 75,502	\$ 77,767	
Snow Removal	\$ -	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992	
Painting/Carpet	\$ -	\$ 2,050	\$ 2,112	\$ 2,175	\$ 2,240	\$ 2,307	\$ 2,377	\$ 2,448	\$ 2,521	\$ 2,597	\$ 2,675	\$ 4,167	\$ 4,292	\$ 4,421	\$ 4,554	\$ 4,690	\$ 4,831	
Electricity (Common Areas/Site)	\$ -	\$ 20,011	\$ 20,611	\$ 21,230	\$ 21,867	\$ 22,523	\$ 23,198	\$ 23,894	\$ 24,611	\$ 25,349	\$ 26,110	\$ 40,678	\$ 41,899	\$ 43,156	\$ 44,450	\$ 45,784	\$ 47,157	
Water/Sewer	\$ -	\$ 12,232	\$ 12,599	\$ 12,977	\$ 13,366	\$ 13,767	\$ 14,180	\$ 14,606	\$ 15,044	\$ 15,495	\$ 15,960	\$ 24,865	\$ 25,611	\$ 26,379	\$ 27,171	\$ 27,986	\$ 28,826	
Broadband Internet	\$ -	\$ 14,586	\$ 15,024	\$ 15,474	\$ 15,939	\$ 16,417	\$ 16,907	\$ 17,416	\$ 17,939	\$ 18,477	\$ 19,031	\$ 29,650	\$ 30,540	\$ 31,456	\$ 32,400	\$ 33,372	\$ 34,373	
Property and Liability Insurance	\$ -	\$ 101,750	\$ 106,329	\$ 111,114	\$ 116,114	\$ 121,339	\$ 126,799	\$ 132,505	\$ 138,468	\$ 144,699	\$ 151,210	\$ 292,634	\$ 305,803	\$ 319,564	\$ 333,944	\$ 348,972	\$ 364,676	
Fidelity Bond Insurance	\$ -	\$ 792	\$ 828	\$ 865	\$ 904	\$ 944	\$ 987	\$ 1,031	\$ 1,078	\$ 1,126	\$ 1,177	\$ 2,278	\$ 2,360	\$ 2,487	\$ 2,599	\$ 2,716	\$ 2,839	
Management Fee	\$ -	\$ 66,768	\$ 68,103	\$ 69,465	\$ 70,855	\$ 72,272	\$ 73,717	\$ 75,192	\$ 76,695	\$ 78,229	\$ 79,794	\$ 107,392	\$ 109,540	\$ 111,731	\$ 113,965	\$ 116,245	\$ 118,570	
HCR Monitoring Fee	\$ -	\$ 6,752	\$ 7,165	\$ 7,605	\$ 8,077	\$ 8,581	\$ 9,117	\$ 9,684	\$ 10,282	\$ 10,911	\$ 11,571	\$ 10,860	\$ 11,077	\$ 11,299	\$ 11,525	\$ 11,755	\$ 11,991	
Replacement Reserve	\$ -	\$ 13,750	\$ 14,163	\$ 14,587	\$ 15,025	\$ 15,476	\$ 15,940	\$ 16,418	\$ 16,911	\$ 17,418	\$ 17,941	\$ 27,951	\$ 28,789	\$ 29,653	\$ 30,543	\$ 31,459	\$ 32,403	
Operating Expenses	\$ -	\$ 460,065	\$ 474,670	\$ 489,767	\$ 505,375	\$ 521,512	\$ 538,195	\$ 555,446	\$ 573,285	\$ 591,732	\$ 610,810	\$ 990,484	\$ 1,023,440	\$ 1,057,560	\$ 1,092,887	\$ 1,129,467	\$ 1,167,346	
Pre-Tax Operating Income (Revenue less Operating Expenses)	\$ -	\$ 673,054	\$ 681,112	\$ 689,130	\$ 697,100	\$ 705,013	\$ 712,860	\$ 720,630	\$ 728,313	\$ 735,898	\$ 743,373	\$ 832,067	\$ 835,563	\$ 838,623	\$ 841,219	\$ 843,322	\$ 844,898	
Real Property Taxes (PILOT Payments)	\$ 775	\$ 39,092	\$ 39,874	\$ 42,625	\$ 43,478	\$ 44,347	\$ 46,139	\$ 47,061	\$ 48,003	\$ 48,963	\$ 49,942	\$ 50,941	\$ 68,560	\$ 69,931	\$ 71,329	\$ 72,756	\$ 74,211	\$ 75,695
Net Operating Income (NOI) after Taxes	\$ (39,092)	\$ (39,874)	\$ 630,429	\$ 637,634	\$ 644,783	\$ 651,866	\$ 658,759	\$ 665,799	\$ 672,628	\$ 679,351	\$ 685,956	\$ 692,432	\$ 763,508	\$ 765,632	\$ 767,293	\$ 768,463	\$ 769,211	\$ 769,203
<u>Loan or Mortgage (Debt Service)</u>																		
1st Mortgage																		
Interest (Also Included in "Project Information")	\$ 1,743,567	\$ 1,743,567	\$ 452,083	\$ 447,089	\$ 441,747	\$ 436,033	\$ 429,922	\$ 423,385	\$ 416,393	\$ 408,913	\$ 400,914	\$ 392,357	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	
Principal	\$ 21,164,644	\$ 21,164,644	\$ 71,725	\$ 76,719	\$ 82,061	\$ 87,774	\$ 93,886	\$ 100,423	\$ 107,415	\$ 114,894	\$ 122,894	\$ 131,451	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	
2nd Mortgage																		
Interest Only	\$ -	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	
Debt Service	\$ 22,908,211	\$ 22,908,211	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	\$ 558,183	
Cash Flow After Financing and Reserve	\$ (22,947,303)	\$ (22,948,085)	\$ 72,247	\$ 79,452	\$ 86,600	\$ 93,683	\$ 100,692	\$ 107,616	\$ 114,445	\$ 121,168	\$ 127,773	\$ 134,249	\$ 205,325	\$ 207,449	\$ 209,111	\$ 210,280	\$ 210,928	\$ 211,020
<u>Debt Service Coverage Ratio (DSCR)</u>																		
Debt Service Coverage Ratio (DSCR)		1.13	1.14	1.16	1.17	1.18	1.19	1.21	1.22	1.23	1.24	1.37	1.37	1.37	1.38	1.38	1.38	
<u>Equity Dividend Rate</u>																		
Equity Dividend Rate		3.83%	4.21%	4.59%	4.97%	5.34%	5.71%	6.07%	6.42%	6.77%	7.12%	10.89%	11.00%	11.09%	11.15%	11.18%	11.19%	

Reasonableness Assessment for GGV Grove Apartments LLC, Town of Brookhaven Industrial Development Agency

The Grove Apartments		Date 4/26/2023																
Annual Cashflows (Pro Forma), \$1000 per unit																		
	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	
Operating Cash Flow																		
Residential Income																		
Gross Operating Income	\$ -	\$ 1,165,860	\$ 1,189,177	\$ 1,212,961	\$ 1,237,220	\$ 1,261,964	\$ 1,287,204	\$ 1,312,948	\$ 1,339,207	\$ 1,365,991	\$ 1,393,311	\$ 1,875,213	\$ 1,912,717	\$ 1,950,971	\$ 1,989,991	\$ 2,029,790	\$ 2,070,386	
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ (59,793)	\$ (59,459)	\$ (60,648)	\$ (61,861)	\$ (63,098)	\$ (64,360)	\$ (65,627)	\$ (66,960)	\$ (68,350)	\$ (69,765)	\$ (93,710)	\$ (95,636)	\$ (97,549)	\$ (99,500)	\$ (101,490)	\$ (103,519)	
Net Rental Income, Residential	\$ -	\$ 1,107,567	\$ 1,129,718	\$ 1,152,313	\$ 1,175,359	\$ 1,198,866	\$ 1,222,843	\$ 1,247,300	\$ 1,272,246	\$ 1,297,691	\$ 1,323,545	\$ 1,781,452	\$ 1,817,081	\$ 1,853,423	\$ 1,890,491	\$ 1,928,301	\$ 1,966,867	
Commercial/Industrial Income																		
Gross Operating Income	\$ -	\$ 22,586	\$ 23,038	\$ 23,498	\$ 23,968	\$ 24,448	\$ 24,937	\$ 25,436	\$ 25,944	\$ 26,463	\$ 26,992	\$ 36,328	\$ 37,055	\$ 37,796	\$ 38,552	\$ 39,323	\$ 40,109	
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ (2,259)	\$ (2,304)	\$ (2,350)	\$ (2,397)	\$ (2,445)	\$ (2,494)	\$ (2,544)	\$ (2,594)	\$ (2,646)	\$ (2,699)	\$ (3,633)	\$ (3,705)	\$ (3,780)	\$ (3,855)	\$ (3,932)	\$ (4,011)	
Net Rental Income, Commercial/Industrial	\$ -	\$ 20,327	\$ 20,734	\$ 21,149	\$ 21,572	\$ 22,003	\$ 22,443	\$ 22,892	\$ 23,350	\$ 23,817	\$ 24,293	\$ 32,695	\$ 33,349	\$ 34,016	\$ 34,697	\$ 35,390	\$ 36,098	
Other Income																		
Laundry/Ancillary	\$ -	\$ 5,500	\$ 5,610	\$ 5,722	\$ 5,837	\$ 5,953	\$ 6,072	\$ 6,194	\$ 6,318	\$ 6,444	\$ 6,573	\$ 8,846	\$ 9,023	\$ 9,204	\$ 9,388	\$ 9,576	\$ 9,767	
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ (275)	\$ (281)	\$ (286)	\$ (292)	\$ (298)	\$ (304)	\$ (310)	\$ (316)	\$ (322)	\$ (329)	\$ (442)	\$ (451)	\$ (460)	\$ (469)	\$ (479)	\$ (488)	
Net Income, Other	\$ -	\$ 5,225	\$ 5,330	\$ 5,436	\$ 5,545	\$ 5,656	\$ 5,769	\$ 5,884	\$ 6,002	\$ 6,122	\$ 6,244	\$ 8,404	\$ 8,572	\$ 8,744	\$ 8,918	\$ 9,097	\$ 9,279	
Effective Gross Income (EGI)	\$ -	\$ 1,133,119	\$ 1,155,782	\$ 1,178,897	\$ 1,202,475	\$ 1,226,525	\$ 1,251,055	\$ 1,276,076	\$ 1,301,598	\$ 1,327,630	\$ 1,354,183	\$ 1,822,551	\$ 1,859,002	\$ 1,896,183	\$ 1,934,106	\$ 1,972,788	\$ 2,012,244	
Operating Expenses (enter positive numbers)																		
Accounting & Audit	\$ -	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992	
Legal	\$ -	\$ 9,900	\$ 10,197	\$ 10,503	\$ 10,818	\$ 11,143	\$ 11,477	\$ 11,821	\$ 12,176	\$ 12,541	\$ 12,917	\$ 20,125	\$ 20,728	\$ 21,350	\$ 21,991	\$ 22,650	\$ 23,330	
Benchmarking	\$ -	\$ 495	\$ 510	\$ 525	\$ 541	\$ 557	\$ 574	\$ 591	\$ 609	\$ 627	\$ 646	\$ 1,006	\$ 1,036	\$ 1,066	\$ 1,100	\$ 1,133	\$ 1,166	
Office Supplies & Equipment	\$ -	\$ 2,443	\$ 2,516	\$ 2,592	\$ 2,670	\$ 2,750	\$ 2,832	\$ 2,917	\$ 3,005	\$ 3,095	\$ 3,188	\$ 4,966	\$ 5,115	\$ 5,269	\$ 5,427	\$ 5,589	\$ 5,757	
Other Admin.	\$ -	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319	\$ 2,388	\$ 2,460	\$ 2,534	\$ 2,610	\$ 4,066	\$ 4,188	\$ 4,315	\$ 4,443	\$ 4,576	\$ 4,713	
Manager	\$ -	\$ 35,000	\$ 36,050	\$ 37,132	\$ 38,245	\$ 39,393	\$ 40,575	\$ 41,792	\$ 43,046	\$ 44,337	\$ 45,667	\$ 71,148	\$ 73,282	\$ 75,481	\$ 77,745	\$ 80,077	\$ 82,400	
Superintendent	\$ -	\$ 70,596	\$ 72,714	\$ 74,895	\$ 77,142	\$ 79,456	\$ 81,840	\$ 84,295	\$ 86,824	\$ 89,429	\$ 92,112	\$ 143,507	\$ 147,812	\$ 152,247	\$ 156,814	\$ 161,519	\$ 166,364	
Janitor and Cleaning Supplies	\$ -	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219	\$ 8,131	\$ 8,375	\$ 8,626	\$ 8,885	\$ 9,152	\$ 9,426	
Exterminating	\$ -	\$ 3,840	\$ 3,955	\$ 4,074	\$ 4,196	\$ 4,322	\$ 4,452	\$ 4,585	\$ 4,723	\$ 4,864	\$ 5,010	\$ 7,806	\$ 8,040	\$ 8,281	\$ 8,530	\$ 8,786	\$ 9,049	
Garbage and Trash Removal	\$ -	\$ 12,100	\$ 12,463	\$ 12,837	\$ 13,222	\$ 13,619	\$ 14,027	\$ 14,448	\$ 14,881	\$ 15,326	\$ 15,783	\$ 24,597	\$ 25,335	\$ 26,095	\$ 26,878	\$ 27,684	\$ 28,514	
Ground Expense	\$ -	\$ 9,000	\$ 9,270	\$ 9,548	\$ 9,835	\$ 10,130	\$ 10,433	\$ 10,746	\$ 11,069	\$ 11,401	\$ 11,743	\$ 18,295	\$ 18,844	\$ 19,409	\$ 19,992	\$ 20,591	\$ 21,209	
Maintenance and Repair Materials	\$ -	\$ 11,000	\$ 11,330	\$ 11,670	\$ 12,020	\$ 12,381	\$ 12,752	\$ 13,135	\$ 13,529	\$ 13,934	\$ 14,353	\$ 22,361	\$ 23,032	\$ 23,723	\$ 24,434	\$ 25,167	\$ 25,922	
Maintenance and Repair Contracts	\$ -	\$ 33,000	\$ 33,990	\$ 35,010	\$ 36,060	\$ 37,142	\$ 38,256	\$ 39,404	\$ 40,586	\$ 41,803	\$ 43,058	\$ 67,082	\$ 69,095	\$ 71,168	\$ 73,303	\$ 75,502	\$ 77,767	
Snow Removal	\$ -	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992	
Painting/Carpet	\$ -	\$ 2,050	\$ 2,112	\$ 2,175	\$ 2,240	\$ 2,307	\$ 2,377	\$ 2,448	\$ 2,521	\$ 2,597	\$ 2,675	\$ 4,167	\$ 4,292	\$ 4,421	\$ 4,554	\$ 4,690	\$ 4,831	
Electricity (Common Areas/Site)	\$ -	\$ 20,011	\$ 20,611	\$ 21,230	\$ 21,867	\$ 22,523	\$ 23,198	\$ 23,894	\$ 24,611	\$ 25,349	\$ 26,110	\$ 40,678	\$ 41,899	\$ 43,156	\$ 44,450	\$ 45,784	\$ 47,157	
Water/Sewer	\$ -	\$ 12,232	\$ 12,599	\$ 12,977	\$ 13,366	\$ 13,767	\$ 14,180	\$ 14,606	\$ 15,044	\$ 15,495	\$ 15,960	\$ 24,865	\$ 25,611	\$ 26,379	\$ 27,171	\$ 27,986	\$ 28,826	
Broadband Internet	\$ -	\$ 14,586	\$ 15,024	\$ 15,474	\$ 15,939	\$ 16,417	\$ 16,915	\$ 17,416	\$ 17,939	\$ 18,477	\$ 19,031	\$ 29,650	\$ 30,540	\$ 31,456	\$ 32,400	\$ 33,372	\$ 34,373	
Property and Liability Insurance	\$ -	\$ 101,750	\$ 106,329	\$ 111,114	\$ 116,114	\$ 121,339	\$ 126,799	\$ 132,505	\$ 138,468	\$ 144,699	\$ 151,210	\$ 292,634	\$ 305,803	\$ 319,564	\$ 333,944	\$ 348,972	\$ 364,676	
Fidelity Bond Insurance	\$ -	\$ 792	\$ 828	\$ 865	\$ 904	\$ 944	\$ 987	\$ 1,031	\$ 1,078	\$ 1,126	\$ 1,177	\$ 2,278	\$ 2,360	\$ 2,487	\$ 2,599	\$ 2,716	\$ 2,839	
Management Fee	\$ -	\$ 66,768	\$ 68,103	\$ 69,465	\$ 70,855	\$ 72,272	\$ 73,717	\$ 75,192	\$ 76,695	\$ 78,229	\$ 79,794	\$ 107,392	\$ 109,540	\$ 111,731	\$ 113,965	\$ 116,245	\$ 118,570	
HCR Monitoring Fee	\$ -	\$ 6,752	\$ 7,165	\$ 7,605	\$ 8,077	\$ 8,581	\$ 9,117	\$ 9,685	\$ 10,285	\$ 10,917	\$ 11,581	\$ 10,860	\$ 11,077	\$ 11,299	\$ 11,525	\$ 11,755	\$ 11,991	
Replacement Reserve	\$ -	\$ 13,750	\$ 14,163	\$ 14,587	\$ 15,025	\$ 15,476	\$ 15,940	\$ 16,418	\$ 16,911	\$ 17,418	\$ 17,941	\$ 27,951	\$ 28,789	\$ 29,653	\$ 30,543	\$ 31,459	\$ 32,403	
Operating Expenses	\$ -	\$ 460,065	\$ 474,670	\$ 489,767	\$ 505,375	\$ 521,512	\$ 538,195	\$ 555,446	\$ 573,285	\$ 591,732	\$ 610,810	\$ 990,484	\$ 1,023,440	\$ 1,057,560	\$ 1,092,887	\$ 1,129,467	\$ 1,167,346	
Pre-Tax Operating Income (Revenue less Operating Expenses)	\$ -	\$ 673,054	\$ 681,112	\$ 689,130	\$ 697,100	\$ 705,013	\$ 712,860	\$ 720,630	\$ 728,313	\$ 735,898	\$ 743,373	\$ 832,067	\$ 835,563	\$ 838,623	\$ 841,219	\$ 843,322	\$ 844,898	
Real Property Taxes (PILOT Payments)	\$ 1,000	\$ 39,092	\$ 39,874	\$ 55,000	\$ 56,100	\$ 57,222	\$ 58,366	\$ 60,724	\$ 61,939	\$ 63,178	\$ 64,441	\$ 88,464	\$ 90,233	\$ 92,038	\$ 93,879	\$ 95,756	\$ 97,671	
Net Operating Income (NOI) after Taxes	\$ (39,092)	\$ (39,874)	\$ 618,054	\$ 625,012	\$ 631,908	\$ 638,734	\$ 645,480	\$ 652,136	\$ 658,691	\$ 665,136	\$ 671,457	\$ 743,603	\$ 745,329	\$ 746,585	\$ 747,341	\$ 747,565	\$ 747,227	
Loan or Mortgage (Debt Service)																		
1st Mortgage																		
Interest (Also Included in "Project Information")	\$ 1,743,567	\$ 1,743,567	\$ 452,083	\$ 447,089	\$ 441,747	\$ 436,033	\$ 429,922	\$ 423,385	\$ 416,393	\$ 408,913	\$ 400,914	\$ 392,357	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	
Principal	\$ 21,164,644	\$ 21,164,644	\$ 71,725	\$ 76,719	\$ 82,061	\$ 87,774	\$ 93,886	\$ 100,423	\$ 107,415	\$ 114,894	\$ 122,894	\$ 131,451	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	
2nd Mortgage																		
Interest Only	\$ -	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	
Debt Service	\$ 22,908,211	\$ 22,908,211	\$ 558,183															
Cash Flow After Financing and Reserve	\$ (22,947,303)	\$ (22,948,085)	\$ 59,872	\$ 66,829	\$ 73,725	\$ 80,551	\$ 87,297	\$ 93,953	\$ 100,508	\$ 106,953	\$ 113,274	\$ 185,420	\$ 187,147	\$ 188,402	\$ 189,158	\$ 189,382	\$ 189,044	
Debt Service Coverage Ratio (DSCR)			1.11	1.12	1.13	1.14	1.16	1.17	1.18	1.19	1.20	1.33	1.34	1.34	1.34	1.34	1.34	
Equity Dividend Rate			3.17%	3.54%	3.91%	4.27%	4.63%	4.98%	5.33%	5.67%	6.01%	9.83%	9.92%	9.99%	10.03%	10.04%	10.02%	

Reasonableness Assessment for GGV Grove Apartments LLC, Town of Brookhaven Industrial Development Agency

Annual Cashflows (Pro Forma) - Shelter Rent																		
	Construction	Construction	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
Operating Cash Flow																		
Residential Income																		
Gross Operating Income	\$ -	\$ -	\$ 1,165,860	\$ 1,189,177	\$ 1,212,961	\$ 1,237,220	\$ 1,261,964	\$ 1,287,204	\$ 1,312,948	\$ 1,339,207	\$ 1,365,991	\$ 1,393,311	\$ 1,875,213	\$ 1,912,717	\$ 1,950,971	\$ 1,989,991	\$ 2,029,790	\$ 2,070,386
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ -	\$ (58,293)	\$ (59,459)	\$ (60,648)	\$ (61,861)	\$ (63,098)	\$ (64,360)	\$ (65,647)	\$ (66,960)	\$ (68,300)	\$ (69,666)	\$ (93,761)	\$ (95,630)	\$ (97,549)	\$ (99,500)	\$ (101,490)	\$ (103,519)
Net Rental Income, Residential	\$ -	\$ -	\$ 1,107,567	\$ 1,129,718	\$ 1,152,313	\$ 1,175,359	\$ 1,198,866	\$ 1,222,843	\$ 1,247,300	\$ 1,272,246	\$ 1,297,691	\$ 1,323,645	\$ 1,781,452	\$ 1,817,087	\$ 1,853,423	\$ 1,890,491	\$ 1,928,301	\$ 1,966,867
Commercial/Industrial Income																		
Gross Operating Income	\$ -	\$ -	\$ 22,586	\$ 23,038	\$ 23,498	\$ 23,968	\$ 24,448	\$ 24,937	\$ 25,436	\$ 25,944	\$ 26,463	\$ 26,992	\$ 36,328	\$ 37,055	\$ 37,796	\$ 38,552	\$ 39,323	\$ 40,109
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ -	\$ (2,759)	\$ (2,304)	\$ (2,350)	\$ (2,397)	\$ (2,445)	\$ (2,494)	\$ (2,544)	\$ (2,594)	\$ (2,646)	\$ (2,699)	\$ (3,633)	\$ (3,705)	\$ (3,780)	\$ (3,855)	\$ (3,932)	\$ (4,011)
Net Rental Income, Commercial/Industrial	\$ -	\$ -	\$ 20,327	\$ 20,734	\$ 21,149	\$ 21,572	\$ 22,003	\$ 22,443	\$ 22,892	\$ 23,350	\$ 23,817	\$ 24,293	\$ 32,695	\$ 33,349	\$ 34,016	\$ 34,697	\$ 35,390	\$ 36,098
Other Income																		
Laundry/Ancillary	\$ -	\$ -	\$ 5,500	\$ 5,610	\$ 5,722	\$ 5,837	\$ 5,953	\$ 6,072	\$ 6,194	\$ 6,318	\$ 6,444	\$ 6,573	\$ 8,846	\$ 9,023	\$ 9,204	\$ 9,388	\$ 9,576	\$ 9,767
Less: Vacancy Allowance (enter as a negative number)	\$ -	\$ -	\$ (275)	\$ (281)	\$ (286)	\$ (292)	\$ (298)	\$ (304)	\$ (310)	\$ (316)	\$ (322)	\$ (329)	\$ (442)	\$ (451)	\$ (460)	\$ (469)	\$ (479)	\$ (488)
Net Income, Other	\$ -	\$ -	\$ 5,225	\$ 5,330	\$ 5,436	\$ 5,545	\$ 5,656	\$ 5,769	\$ 5,884	\$ 6,002	\$ 6,122	\$ 6,244	\$ 8,404	\$ 8,572	\$ 8,744	\$ 8,918	\$ 9,097	\$ 9,279
Effective Gross Income (EGI)	\$ -	\$ -	\$ 1,133,119	\$ 1,155,782	\$ 1,178,897	\$ 1,202,475	\$ 1,226,525	\$ 1,251,055	\$ 1,276,076	\$ 1,301,598	\$ 1,327,630	\$ 1,354,183	\$ 1,822,551	\$ 1,859,002	\$ 1,896,183	\$ 1,934,106	\$ 1,972,788	\$ 2,012,244
Operating Expenses (enter positive numbers)																		
Accounting & Audit	\$ -	\$ -	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992
Legal	\$ -	\$ -	\$ 9,900	\$ 10,197	\$ 10,503	\$ 10,818	\$ 11,143	\$ 11,477	\$ 11,821	\$ 12,176	\$ 12,541	\$ 12,917	\$ 20,125	\$ 20,728	\$ 21,350	\$ 21,991	\$ 22,650	\$ 23,330
Benchmarking	\$ -	\$ -	\$ 495	\$ 510	\$ 525	\$ 541	\$ 557	\$ 574	\$ 591	\$ 609	\$ 627	\$ 646	\$ 1,006	\$ 1,036	\$ 1,068	\$ 1,100	\$ 1,133	\$ 1,166
Office Supplies & Equipment	\$ -	\$ -	\$ 2,443	\$ 2,516	\$ 2,592	\$ 2,670	\$ 2,750	\$ 2,832	\$ 2,917	\$ 3,005	\$ 3,095	\$ 3,188	\$ 4,966	\$ 5,115	\$ 5,269	\$ 5,427	\$ 5,589	\$ 5,757
Other Admin.	\$ -	\$ -	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319	\$ 2,388	\$ 2,460	\$ 2,534	\$ 2,610	\$ 4,066	\$ 4,188	\$ 4,313	\$ 4,443	\$ 4,576	\$ 4,713
Manager	\$ -	\$ -	\$ 35,000	\$ 36,050	\$ 37,132	\$ 38,245	\$ 39,393	\$ 40,575	\$ 41,792	\$ 43,046	\$ 44,337	\$ 45,667	\$ 71,148	\$ 73,282	\$ 75,481	\$ 77,745	\$ 80,077	\$ 82,480
Superintendent	\$ -	\$ -	\$ 70,596	\$ 72,714	\$ 74,895	\$ 77,142	\$ 79,456	\$ 81,840	\$ 84,295	\$ 86,824	\$ 89,429	\$ 92,112	\$ 143,507	\$ 147,812	\$ 152,247	\$ 156,814	\$ 161,519	\$ 166,364
Janitor and Cleaning Supplies	\$ -	\$ -	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219	\$ 8,131	\$ 8,375	\$ 8,626	\$ 8,885	\$ 9,152	\$ 9,426
Exterminating	\$ -	\$ -	\$ 3,840	\$ 3,955	\$ 4,074	\$ 4,196	\$ 4,322	\$ 4,452	\$ 4,585	\$ 4,723	\$ 4,864	\$ 5,010	\$ 7,806	\$ 8,040	\$ 8,281	\$ 8,530	\$ 8,786	\$ 9,049
Garbage and Trash Removal	\$ -	\$ -	\$ 12,100	\$ 12,463	\$ 12,837	\$ 13,222	\$ 13,619	\$ 14,027	\$ 14,448	\$ 14,881	\$ 15,328	\$ 15,789	\$ 24,597	\$ 25,335	\$ 26,095	\$ 26,878	\$ 27,684	\$ 28,514
Ground Expense	\$ -	\$ -	\$ 9,000	\$ 9,270	\$ 9,548	\$ 9,835	\$ 10,130	\$ 10,433	\$ 10,746	\$ 11,069	\$ 11,401	\$ 11,743	\$ 18,295	\$ 18,844	\$ 19,409	\$ 19,992	\$ 20,591	\$ 21,209
Maintenance and Repair Materials	\$ -	\$ -	\$ 11,000	\$ 11,330	\$ 11,670	\$ 12,020	\$ 12,381	\$ 12,752	\$ 13,135	\$ 13,529	\$ 13,934	\$ 14,353	\$ 22,361	\$ 23,032	\$ 23,723	\$ 24,434	\$ 25,167	\$ 25,922
Maintenance and Repair Contracts	\$ -	\$ -	\$ 33,000	\$ 33,990	\$ 35,010	\$ 36,060	\$ 37,142	\$ 38,256	\$ 39,404	\$ 40,586	\$ 41,803	\$ 43,058	\$ 67,082	\$ 69,095	\$ 71,168	\$ 73,303	\$ 75,502	\$ 77,767
Snow Removal	\$ -	\$ -	\$ 14,000	\$ 14,420	\$ 14,853	\$ 15,298	\$ 15,757	\$ 16,230	\$ 16,717	\$ 17,218	\$ 17,735	\$ 18,267	\$ 28,459	\$ 29,313	\$ 30,192	\$ 31,098	\$ 32,031	\$ 32,992
Painting/Carpet	\$ -	\$ -	\$ 2,050	\$ 2,112	\$ 2,175	\$ 2,240	\$ 2,307	\$ 2,377	\$ 2,448	\$ 2,521	\$ 2,597	\$ 2,675	\$ 4,167	\$ 4,292	\$ 4,421	\$ 4,554	\$ 4,690	\$ 4,831
Electricity (Common Areas/Site)	\$ -	\$ -	\$ 20,011	\$ 20,611	\$ 21,230	\$ 21,867	\$ 22,523	\$ 23,198	\$ 23,894	\$ 24,611	\$ 25,349	\$ 26,110	\$ 40,678	\$ 41,899	\$ 43,156	\$ 44,450	\$ 45,784	\$ 47,157
Water/Sewer	\$ -	\$ -	\$ 12,232	\$ 12,599	\$ 12,977	\$ 13,366	\$ 13,767	\$ 14,180	\$ 14,606	\$ 15,044	\$ 15,495	\$ 15,960	\$ 24,865	\$ 25,611	\$ 26,379	\$ 27,171	\$ 27,986	\$ 28,826
Broadband Internet	\$ -	\$ -	\$ 14,586	\$ 15,024	\$ 15,474	\$ 15,939	\$ 16,417	\$ 16,909	\$ 17,416	\$ 17,939	\$ 18,477	\$ 19,031	\$ 29,650	\$ 30,540	\$ 31,456	\$ 32,400	\$ 33,372	\$ 34,373
Property and Liability Insurance	\$ -	\$ -	\$ 101,750	\$ 106,329	\$ 111,114	\$ 116,114	\$ 121,339	\$ 126,799	\$ 132,505	\$ 138,468	\$ 144,699	\$ 151,210	\$ 292,634	\$ 305,803	\$ 319,564	\$ 333,944	\$ 348,974	\$ 364,676
Fidelity Bond Insurance	\$ -	\$ -	\$ 792	\$ 828	\$ 865	\$ 904	\$ 944	\$ 987	\$ 1,031	\$ 1,078	\$ 1,126	\$ 1,177	\$ 2,278	\$ 2,380	\$ 2,487	\$ 2,599	\$ 2,716	\$ 2,839
Management Fee	\$ -	\$ -	\$ 66,768	\$ 68,103	\$ 69,465	\$ 70,855	\$ 72,272	\$ 73,717	\$ 75,192	\$ 76,695	\$ 78,229	\$ 79,794	\$ 107,392	\$ 109,540	\$ 111,731	\$ 113,965	\$ 116,245	\$ 118,570
HCR Monitoring Fee	\$ -	\$ -	\$ 6,752	\$ 6,887	\$ 7,025	\$ 7,165	\$ 7,309	\$ 7,455	\$ 7,604	\$ 7,756	\$ 7,911	\$ 8,069	\$ 10,860	\$ 11,077	\$ 11,299	\$ 11,525	\$ 11,755	\$ 11,991
Replacement Reserve	\$ -	\$ -	\$ 13,750	\$ 14,163	\$ 14,587	\$ 15,025	\$ 15,476	\$ 15,940	\$ 16,418	\$ 16,911	\$ 17,418	\$ 17,941	\$ 27,951	\$ 28,789	\$ 29,653	\$ 30,543	\$ 31,459	\$ 32,403
Operating Expenses	\$ -	\$ -	\$ 460,065	\$ 474,670	\$ 488,767	\$ 505,375	\$ 521,512	\$ 538,195	\$ 555,446	\$ 573,285	\$ 591,732	\$ 610,810	\$ 990,484	\$ 1,023,440	\$ 1,057,560	\$ 1,092,887	\$ 1,129,467	\$ 1,167,346
Pre-Tax Operating Income (Revenue less Operating Expenses)	\$ -	\$ -	\$ 673,054	\$ 681,112	\$ 689,130	\$ 697,100	\$ 705,013	\$ 712,860	\$ 720,630	\$ 728,313	\$ 735,898	\$ 743,373	\$ 832,067	\$ 835,563	\$ 838,623	\$ 841,219	\$ 843,322	\$ 844,898
Real Property Taxes (PILOT Payments)	\$ 39,092	\$ 39,874	\$ 108,543	\$ 110,713	\$ 112,928	\$ 115,186	\$ 117,490	\$ 119,840	\$ 122,236	\$ 124,681	\$ 127,175	\$ 129,718	\$ 174,584	\$ 178,075	\$ 181,637	\$ 185,270	\$ 188,975	\$ 192,755
Net Operating Income (NOI) after Taxes	\$ (39,092)	\$ (39,874)	\$ 564,512	\$ 570,399	\$ 576,202	\$ 581,914	\$ 587,523	\$ 593,020	\$ 598,394	\$ 603,632	\$ 608,723	\$ 613,655	\$ 657,484	\$ 657,487	\$ 656,986	\$ 655,950	\$ 654,346	\$ 652,143
Loan or Mortgage (Debt Service)																		
1st Mortgage																		
Interest (Also Included in "Project Information")	\$ 1,743,567	\$ 1,743,567	\$ 452,083	\$ 447,089	\$ 441,747	\$ 436,033	\$ 429,922	\$ 423,385	\$ 416,393	\$ 408,913	\$ 400,914	\$ 392,357	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121	\$ 266,121
Principal	\$ 21,164,644	\$ 21,164,644	\$ 71,725	\$ 76,719	\$ 82,061	\$ 87,774	\$ 93,886	\$ 100,423	\$ 107,415	\$ 114,894	\$ 122,894	\$ 131,451	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686	\$ 257,686
2nd Mortgage																		
Interest Only	\$ -	\$ -	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375	\$ 34,375
Debt Service	\$ 22,908,211	\$ 22,908,211	\$ 558,183															
Cash Flow After Financing and Reserve	\$ (22,947,303)	\$ (22,948,085)	\$ 6,329	\$ 12,216	\$ 18,020	\$ 23,731	\$ 29,341	\$ 34,838	\$ 40,211	\$ 45,449	\$ 50,540	\$ 55,472	\$ 99,301	\$ 99,304	\$ 98,803	\$ 97,767	\$ 96,164	\$ 93,961
Debt Service Coverage Ratio (DSCR)			1.01	1.02	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.18	1.18	1.18	1.18	1.17	1.17
Equity Dividend Rate			0.34%	0.65%	0.96%	1.26%	1.56%	1.85%	2.13%	2.41%	2.68%	2.94%	5.26%	5.27%	5.24%	5.18%	5.10%	4.98%

APPENDIX A: SCOPE OF SERVICES

To assist with its evaluation of the Applicant's request for financial assistance, Camoin was commissioned by the Town of Brookhaven Industrial Development Agency to conduct the above analyses. The analysis is comprised of four tasks:

- ◆ *Test Assumptions* by comparing rents, operating costs, and vacancy rates to real estate benchmarks for similar projects and noting any significant differences. Operating performance and net income are also evaluated.
- ◆ *Review the Financing Plan* and perform an objective third-party evaluation of the estimated return on investment (ROI) to the Applicant with and without a PILOT agreement. We also analyze whether the capital structure and terms of the long-term debt are within market benchmarks for obtaining bank financing.
- ◆ *Evaluate the effects of one or more PILOTs* recommended by the Agency and determine whether the PILOT would result in a return that is within what would normally be anticipated in the current market for a similar project.
- ◆ *Provide an objective, third-party opinion* about the need for and reasonableness of the financial assistance.

Sources Consulted

- ◆ Application for Financial Assistance dated November 29, 2022.
- ◆ Project financing and annual cashflow workbook submitted by the Applicant in April 2022.
- ◆ Real estate tax information and estimates received from the Agency, including anticipated future assessed value of the Project.
- ◆ CoStar
- ◆ RealtyRates.com



CoStar is the leading source of commercial real estate intelligence in the U.S. It provides a full market inventory of properties and spaces—available as well as fully leased—by market and submarket. Details on vacancy, absorption, lease rates, inventory, and other real estate market data are provided, as well as property-specific information including photos and floor plans. More at www.costar.com.



RealtyRates.com™ is a comprehensive resource of real estate investment and development news, trends, analytics, and market research that support real estate professionals involved with more than 50 income producing and sell-out property types throughout the U.S. RealtyRates.com™ is the publisher of the award-winning Investor, Developer and Market Surveys, providing data essential to the appraisal, evaluation, disposition and marketing of investment and development real estate nationwide.

APPENDIX B: DEFINITIONS

Equity Dividend Rate: This is calculated as the rate of return on the equity component of a project. It is calculated as follows: (Source: RealtyRates.com)

Equity Dividend / Equity Investment = Equity Dividend Rate, where Equity Dividend = Net Operating Income – Debt Service.

Debt Service Coverage Ratio (DSCR): The ratio of annual debt repayment, including principal and interest, to total Net Operating Income (NOI). (Source: RealtyRates.com)

Net Operating Income (NOI): Income net of all operating costs including vacancy and collection loss but not including debt service. Appraisers also typically expense reserves for repairs and replacements. However, because reserves are not usually reported along with other transaction data, RealtyRates.com tracks lender requirements but does not include them in calculations. (Source: RealtyRates.com)

ABOUT CAMOIN ASSOCIATES

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Amazon, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 32 states and garnered attention from national media outlets including Marketplace (NPR), Crain's New York Business, Forbes magazine, The New York Times, and The Wall Street Journal. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Portland, ME; Boston, MA; Richmond, VA and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](https://www.facebook.com/camoinassociates) and [LinkedIn](https://www.linkedin.com/company/camoin-associates).

THE PROJECT TEAM

Rachel Selsky

Vice President, Project Principal