

EXHIBIT F:
DETAILED PRELIMINARY
COST ESTIMATE AND SUMMARY PROFORMA

ESTIMATE OF PROBABLE CONSTRUCTION COST - PRELIMINARY
UTICA STREET, RAPID CITY, SD
(SUMMARY ROW Work ESTIMATES - CAMDEN HEIGHTS PROJECT)

Prepared by FMG Engineering, 3/15/24

ITEM NO.	DESCRIPTION	UNIT	QUANTITY (EST)	UNIT COST	EXTENDED COST
1	MOBILIZATION	LS	1.0	\$50,000.00	\$50,000.00
2	INCIDENTAL WORK	LS	1.0	\$45,000.00	\$45,000.00
3	TRAFFIC CONTROL	LS	1.0	\$75,000.00	\$75,000.00
4	CONSTRUCTION STAKING	LS	1.0	\$20,000.00	\$20,000.00
5	MATERIALS TESTING	LS	1.0	\$12,000.00	\$12,000.00
6	REMOVE CURB AND GUTTER	LF	70.0	\$10.00	\$700.00
7	REMOVE PCC PAVEMENT	SY	785.0	\$20.00	\$15,700.00
8	REMOVE SIDEWALK	SF	100.0	\$5.00	\$500.00
9	UNCLASSIFIED EXCAVATION	CY	1650.0	\$15.00	\$24,750.00
10	FURNISH AND PLACE BORROW MATERIAL	CY	500.0	\$18.00	\$9,000.00
11	PLACE TOPSOIL	CY	1300.0	\$10.00	\$13,000.00
12	SANITARY SEWER-8" PVC	LF	350.0	\$125.00	\$43,750.00
13	MANHOLES-SAN SEWER	EA	3.0	\$8,500.00	\$25,500.00
14	VIDEO INSPECTION OF SEWER	LF	350.0	\$5.00	\$1,750.00
15	WATER MAIN - 8" PVC	LF	685.0	\$125.00	\$85,625.00
16	WATER MAIN - 6" PVC	LF	30.0	\$120.00	\$3,600.00
17	8" WATER MAIN FITTINGS	EA	9.0	\$1,100.00	\$9,900.00
18	6" WATER MAIN FITTINGS	EA	1.0	\$900.00	\$900.00
19	8" GATE VALVE & BOX	EA	3.0	\$3,200.00	\$9,600.00
20	TAPPING SLEEVE, VALVE AND VALVE BOX	EA	1.0	\$8,500.00	\$8,500.00
21	FIRE HYDRANT W/VALVE, BOX & LEAD	EA	4.0	\$10,500.00	\$42,000.00
22	CORROSION PROTECTION	LS	1.0	\$10,000.00	\$10,000.00
23	STORM SEWER - 15" RCP PIPE	LF	45.0	\$120.00	\$5,400.00
24	TYPE S INLETS	EA	1.0	\$8,500.00	\$8,500.00
25	15" FLARED END	EA	1.0	\$1,100.00	\$1,100.00
26	CLASS C RIPRAP W/FILTER FABRIC	CY	3.5	\$160.00	\$560.00
27	CURB AND GUTTER	LF	1200.0	\$40.00	\$48,000.00
28	CONCRETE FILLET & PAN, 6" REINFORCED	SY	73.0	\$150.00	\$10,950.00
29	ASPHALT CONCRETE PAVEMENT (5" DEPTH)	TON	600.0	\$120.00	\$72,000.00
30	AGGREGATE BASE COURSE (6" DEPTH)	TON	800.0	\$40.00	\$32,000.00
31	SIDEWALK	SF	3600.0	\$10.00	\$36,000.00
32	DETECTABLE WARNING PANELS	SF	16.0	\$100.00	\$1,600.00
33	REINFORCED PCC DRIVEWAY APPROACH	SY	80.0	\$150.00	\$12,000.00
34	9" UNREINFORCED PCC PAVEMENT	SY	690.0	\$65.00	\$44,850.00
35	SEED, FERTILIZE AND MULCH	AC	3.0	\$14,500.00	\$43,500.00
36	TEMPORARY EROSION AND SEDIMENT CONTROL	LS	1.0	\$20,000.00	\$20,000.00
	20% CONTINGENCY				\$168,647.00
No.1	ESTIMATED TOTAL (Utica Street Costs)			Sub-TOTAL Revised Estimate	\$1,011,882.00
No.2	Unimproved Section Line ROW			Sub-TOTAL Revised Estimate	\$409,680.00
No.3	Regional Detention Pond Improvements			Sub-TOTAL Revised Estimate	\$388,860.00
No.4	Camden Drive ROW Improvements			Sub-TOTAL Revised Estimate	\$134,940.00
No. 5	East North Street ROW Improvements			Sub-TOTAL Revised Estimate	\$24,018.00

	TOTAL ESTIMATED COST OF CONSTRUCTION	(Scope of Work Items No. 1-5)	\$1,969,380.00
	TOTAL ESTIMATED Sanitary & Storm Sewer Costs	(Scope of Work Items No. 1, 2, 3 + Cont.)	\$1,106,562.00
	TOTAL OTHER ESTIMATED INFRASTRUCTURE COSTS		\$ 862,818.00

Camden Heights - TOTAL PROJECT SOURCES AND USES

(With TIF Loan Proceeds)

Formal TID Application

PROJECT COST	AMOUNT	COST/UNIT	NOTES/STATUS
Land Acquisition	\$3,950,000	\$15,675	<i>Inclusive of L12 (15ac solar farm)</i>
Offsite Infrastructure - Hard Costs	\$1,939,614	\$7,697	<i>Includes all Eligible Off-Site Construction Costs (HIFP + TIF eligible)</i>
Offsite Infrastructure - Other Costs	\$488,166	\$1,937	
Solar PV & Battery Facility Construction	\$3,055,150	\$12,124	<i>Cost of constructing 1MW solar farm on L12</i>
Residential Construction	\$51,835,122	\$205,695	<i>Cost of constructing 252 affordable units</i>
Soft Costs & Professional Fees	\$2,188,579	\$8,685	<i>Portion of Fees eligible for TIF reimbursement. = \$514k</i>
Financing Costs	\$7,801,795	\$30,960	
Reserves & Development Fees	\$8,391,224	\$33,299	
Total Development Costs	\$79,649,650	\$316,070	

PROJECT SOURCES	AMOUNT	COST/UNIT	
Perm. Debt Financing	\$28,118,707	\$111,582	<i>Based on Term Sheet for Tax-Exempt 40-yr Loan @ 6% int. w/increased in max rents (+5%) lower vacancy</i>
LIHTC Equity + 45L Credit	\$32,337,106	\$128,322	<i>Investor Terms for 4% LIHTC equity + 45L credit (\$0.87)</i>
Solar ITC Equity	\$1,832,907	\$7,273	<i>New IRA program allows 40% bonus credits w/same LIHTC Investor equity (signed LOI)</i>
Housing Infrastructure Grant	\$2,207,539	\$8,760	<i>Awarded \$2.2m from State's HIFP Loan fund: 10-yr term, 25-amort. At 2% interest</i>
Tax Increment Financing Loan*	\$6,858,350	\$27,216	<i>Net Loan proceeds less City Admin. Fee/COI + capitalized Interest reserve (for construction period)</i>
Deferred Fee	\$5,295,041	\$21,012	<i>Maximum Deferred Fee (repayment w/in 15 yrs) = \$5.45m</i>
Other Local Gap Funds	\$3,000,000	\$11,905	<i>Secured through Rapid City Area Foundation Housing Trust Funds via loan repaid in 17-yrs w/10-yr IO @4%</i>
Total Development Sources	\$79,649,650	\$316,070	

PROJECT FINANCIAL GAP \$ 0 \$0

**TIF Loan is approx. 8.5% of total sources and makes up half of Project gap funding*

Camden Heights - TOTAL PROJECT SOURCES AND USES

(With Out TIF Loan Proceeds)

Formal TID Application ("What-if" Scenario Analysis)

PROJECT COST	AMOUNT	COST/UNIT	NOTES/STATUS
Land Acquisition	\$3,950,000	\$15,675	<i>Inclusive of L12 (15ac solar farm)</i>
Offsite Infrastructure - Hard Costs	\$1,939,614	\$7,697	<i>Includes all Eligible Off-Site Construction Costs (HIFP + TIF eligible)</i>
Offsite Infrastructure - Other Costs	\$488,166	\$1,937	
Solar PV & Battery Facility Construction	\$3,055,150	\$12,124	<i>Cost of constructing 1MW solar farm on L12</i>
Residential Construction	\$51,835,122	\$205,695	<i>Cost of constructing 252 affordable units</i>
Soft Costs & Professional Fees	\$2,138,579	\$8,486	<i>Small reduction in Legal/COI Fees not included in net TIF Loan proceeds (i.e. costs paid directly to the City of Rapid City)</i>
Financing Costs	\$8,058,795	\$31,979	<i>Increase of \$257k of interest expense during construction.</i>
Reserves & Development Fees	\$8,391,224	\$33,299	
Total Development Costs	\$79,856,650	\$316,891	

PROJECT SOURCES	AMOUNT	COST/UNIT	
Perm. Debt Financing	\$28,118,707	\$111,146	Based on Term Sheet for Tax-Exempt 40-yr Loan @ 6% int. w/increased in max rents (+5%) lower vacancy
LIHTC Equity + 45L Credit	\$32,337,106	\$131,529	Investor Terms for 4% LIHTC equity + 45L credit (\$0.87)
Solar ITC Equity	\$1,832,907	\$6,909	<i>New IRA program allows 40% bonus credits w/same LIHTC Investor equity (signed LOI)</i>
Housing Infrastructure Grant	\$2,207,539	\$8,760	<i>Awarded full request from the State's HIFP Loan fund: 10-yr term, 25-amort. At 2% interest</i>
Tax Increment Financing Loan*	\$0	\$0	ASSUMES NO TIF Loan support
Deferred Fee	\$5,450,000	\$21,627	<i>Maximum Deferred Fee (repayment w/in 15 yrs. per Federal tax credit requirements) = \$5.45m</i>
Other Local Gap Funds	\$3,000,000	\$11,905	<i>Secured through Rapid City Area Foundation Housing Trust Funds via loan repaid in 17-yr w/10-yr. interest only @4%</i>
Total Development Sources	\$72,946,259	\$291,876	

PROJECT FINANCIAL GAP \$ (6,910,391) -\$27,422

**Without the TIF Loan and maximum Deferred Developer Fee the Project is not feasible to move forward as planned.*



CAMDEN HEIGHTS SUMMARY PROFORMA – UNIT MIX & OPERATING BUDGET

YEAR 1 Stabilized (Income Limits – Revenue & Expenses)

PROJECT SUMMARY	Senior	Family	TOTAL	
1 Bed 1Bth	35	10	45	18%
2Bed 1Bth	16	97	113	45%
3Bed 2Bth		79	79	31%
4Bed 2Bth		15	15	6%
	51	201	252	

APARTMENT INCOME UNIT TYPE	SQ FEET	NUMBER UNITS	Max Gross Rents	Utility Allowances	MONTHLY INCOME
1 Bed / 1 Bath (60%) - Senior	734	35	\$1,009	\$0	\$35,315
1 Bed / 1 Bath (60%) - Family	734	10	\$1,009	\$0	\$10,090
2 Bed / 2 Bath (60%) - Senior	1,011	16	\$1,212	\$0	\$19,392
2 Bed / 2 Bath (60%) - Family	1,011	97	\$1,212	\$0	\$117,564
3 Bed / 2 Bath (60%) - Senior	1,250	0	\$1,399	\$0	\$0
3 Bed / 2 Bath (60%) - Family	1,250	79	\$1,399	\$0	\$110,521
4 Bed / 2 Bath (60%) - Senior	1,542	0	\$1,561	\$0	\$0
4 Bed / 2 Bath (60%) - Family	1,542	15	\$1,561	\$0	\$23,415
TOTAL	269,153	252	MAX Annual Residential Income		\$3,795,564
Average Max Rent per Unit (including all Utilities)			\$1,255	<i>Expected Increase¹</i>	<i>\$3,985,342</i>
¹ HUD Published Max Income and Rent Limits FY 2024 are estimated to be at least 5% from current 60% AMI (~4/1/24)					

CAMDEN HEIGHTS SUMMARY PROFORMA – UNIT MIX & OPERATING BUDGET

YEAR 1 Stabilized (Income Limits – Revenue & Expenses)

OPERATING EXPENSES	Total	Per Unit	Assumptions/Comments
General Administration	\$151,200	\$600	
Management Fee	\$136,283	\$541	Approx. \$10k annually for Benefits Sharing
Payroll/Payroll Taxes	\$289,800	\$1,150	
Property Taxes	\$478,800	\$1,900	Included in must-pay Operating Expenses (before Debt Service)
Insurance	\$176,400	\$700	
Maintenance	\$163,800	\$650	
Solar Net Metering	\$0	\$0	3 rd Party Solar Consultant analysis (net offset)
Utilities	\$182,952	\$726	Includes Water, Sewer, Trash
Replacement Reserve	\$100,800	\$400	\$400 PUPA per SDHDA 2023 QAP
TOTAL OPERATING COSTS	\$1,680,035	\$6,667	

OPERATING PRO FORMA

Year	1
Gross Rental Income	3,985,342
Other Income	107,730
Apartment Vacancy	(199,267)
Operating Income	3,893,805
PILOT/ property taxes (<i>esc @3% annual</i>)	(478,800)
Other opex	(1,201,235)
Total opex (<i>no PILOT</i>)	(1,680,035)
Net Operating Income (<i>FY 2024</i>)	2,213,770
Debt Service	(1,844,808)
Subordinate Loans (combined payments)	(232,094)
Deferred Developer Fee Payments (Yrs 1-15)	(136,868)