

Malone Park Commons

Center City Development Corporation Development Loan Application

Applicant Background

- Andre D. Jones
 - 598 North Main St., Memphis, TN 38105
 - Phone: (901) 336-2305
 - Twenty-three years experience as a corporate professional and twenty years of construction business management experience
 - Christian Brothers University
Bachelor of Science, Business Administration
 - State Technical Institute at Memphis
Associate of Applied Science, Information Technology
 - Andre has served on the following boards: Memphis and Shelby County Board of Adjustment, Center City Development Corporation, Downtown Neighborhood Association and the Memphis Regional Design Center.
 - Andre currently serves as a member of the Uptown Community Advisory Committee.

- W.C. Jones, Jr. (Curtis)
 - 3384 Burgess Dr., Memphis, TN 38118
 - Phone: (901) 336-2315
 - Forty-four years of construction experience
 - Majored in Business at Austin Peay State University

- Company Bio/Proposed Legal Structure for Project
 - Jones Urban Development is a DBA name for Populace Homes of Memphis, Inc.
 - The parent company, Populace Homes is a C corporation.
 - Andre Jones and Curtis Jones each have 50% ownership in the C corporation
 - Populace Homes was founded in 1998 as a suburban speculative home building company. In the early 2000's our focus shifted to the urban core. We were of three building firms selected to build single family homes as part of Memphis' first Hope VI program, Uptown. We've built many homes in Uptown and will continue to do so.
 - We also built homes in the McKinley Park subdivision for McCormack Baron Salazar as part of the Legends Park Hope VI program.
 - Malone Park LLC, will be the legal entity that holds this property.
 - The LLC members will include the operating partners (Curtis and Andre Jones) and the capital partners (TBD).
 - Upon approval of requested entitlements and incentives, equity partners will be vetted and confirmed.

Malone Park Commons

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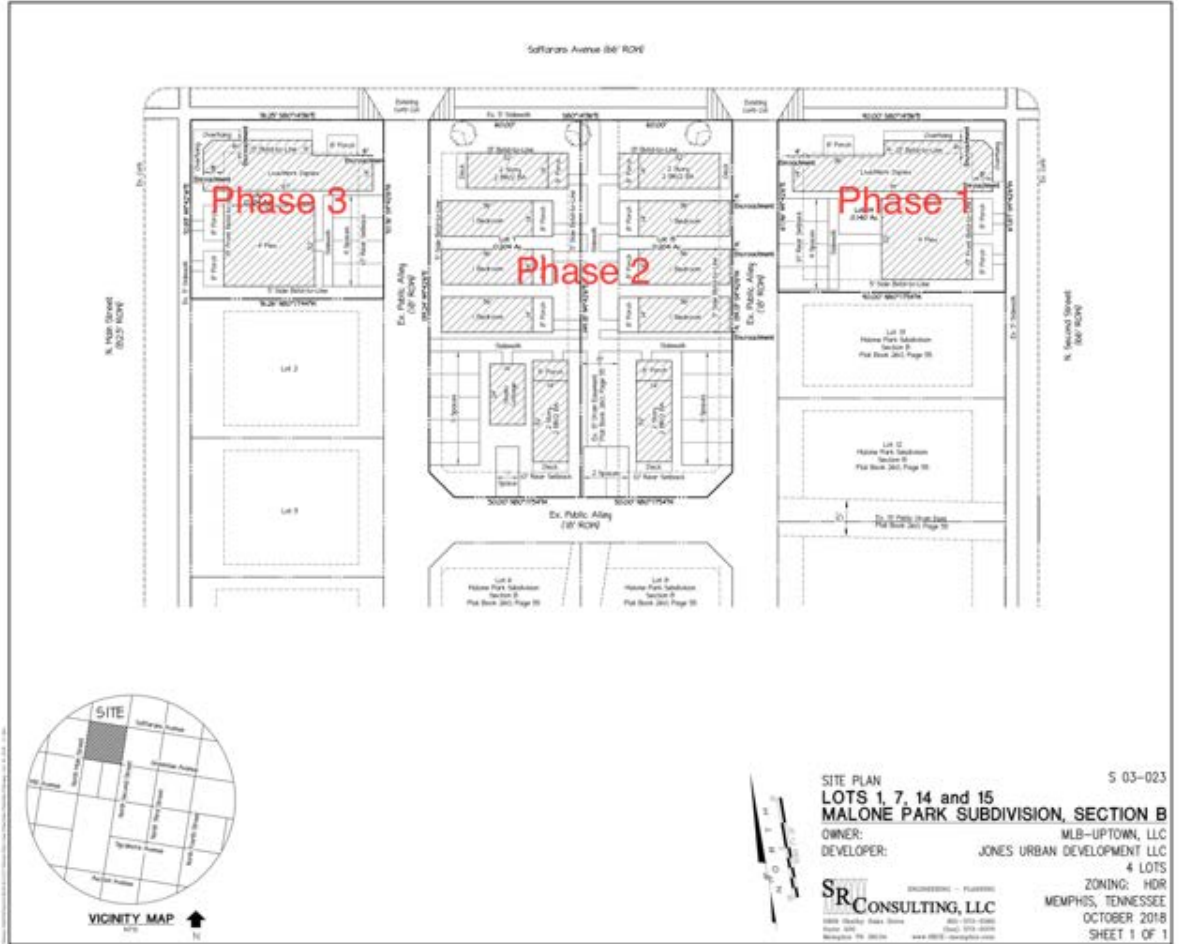
Proposed Project

- The subject property is a +/-0.768-acre group of parcels (001061 00011, 001061 00017, 001061 00024, and 001061 00025) located at 97 Saffarans Avenue, 103 Saffarans Avenue, 111 Saffarans Avenue, and 599 North Second Street in the Gayoso Bayou District of Uptown, and known as Lots 1, 2, 7, 14, and 15 of Malone Park Subdivision, Section B, zoned High Density Residential (HDR) in the Uptown Special Purpose District.
- What is Malone Park Commons?
 - 25 units of high quality market rate rental housing in the Malone Park section of Uptown
 - These units will be a mix of building types that were common prior to the popularity of the automobile and single use zoning over 70 years ago
 - Cottage courts (single detached units surrounding a park like setting), detached studios, fourplexes and live/work buildings
 - A walkable community near the shops and amenities of downtown Memphis
 - Easy access to alternative modes of transportation; trolleys, bike share, buses, electric scooters, horse drawn carriages, etc
- Malone Park's Unit Mix and Project Cost
 - 1 X 340 square foot detached studio
 - 1 X 340 square foot attached studio
 - 1 X 504 square foot attached one bedroom apartment
 - 8 X 504 square foot fourplex one bedroom apartments
 - 6 X 504 square foot detached one bedroom single story cottages
 - 4 X 700 square foot live/work style apartments
 - 4 X 1120 square foot detached 2 bedroom 2 story cottages
 - The land area for this project is 29,383 square feet
 - The total project cost is \$2,159,763.00
 - This unit mix will offer what many recently built neighborhoods lack: the flexibility for folks at multiple ages/income levels to live in the same neighborhood.
- Property History
 - The subject property was acquired by MLB-Uptown LLC for the Uptown revitalization in the early 2000's.
 - It is a former park that contained a community pool.

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- The property had perceived or real contamination that was remediated by the Belz-Turley partnership.
 - We built the first home on this block upon its release for construction in 2007.
- Site Plan



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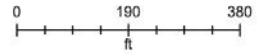
- Subject Property

Malone Park



CHEYENNE JOHNSON, ASSESSOR
SHELBY COUNTY, TENNESSEE

DISCLAIMER: THIS MAP IS FOR PROPERTY ASSESSMENT PURPOSES ONLY. IT IS NOT CONCLUSIVE AS TO LOCATION OF PROPERTY OR LEGAL OWNERSHIP AND THEREFORE, SHOULD NOT BE RELIED UPON AS A REPRESENTATION OF ANY PROPERTY FOR ANY PURPOSE.
MAP DATE: March 21, 2018



- Southwest Corner of Saffarans and North Second Streets



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- Southeast Corner of North Main and Safarrans Streets



- Example Pocket Neighborhood



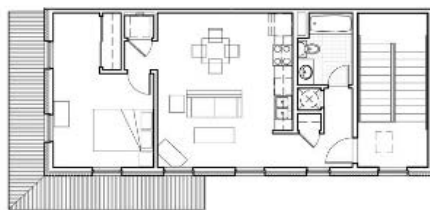
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- Existing Corner Commercial Building at Saffarans and North Main



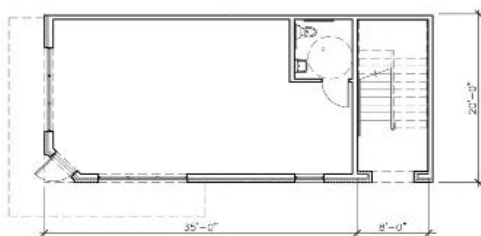
- Plan Elevations



SECOND FLOOR PLAN



STREET ELEVATION



FIRST FLOOR PLAN



STREET ELEVATION

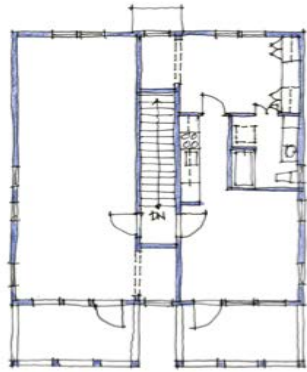


LIVE / WORK (1360)
March 21, 2018

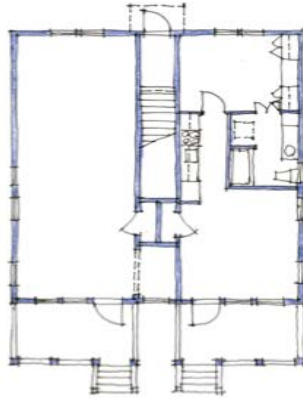


MALONE PARK
JONES URBAN DEVELOPMENT, LLC
Memphis, Tennessee

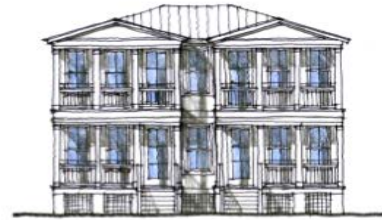
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SECOND FLOOR PLAN



FIRST FLOOR PLAN



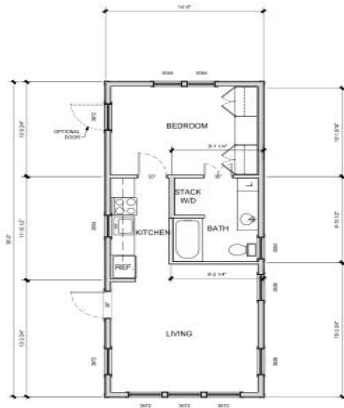
STREET ELEVATION



Four-Plex (504 - 4A)
August 28, 2018



MALONE PARK
JONES URBAN DEVELOPMENT, LLC
Memphis, Tennessee



FLOOR PLAN



STREET ELEVATION w/ front porch option

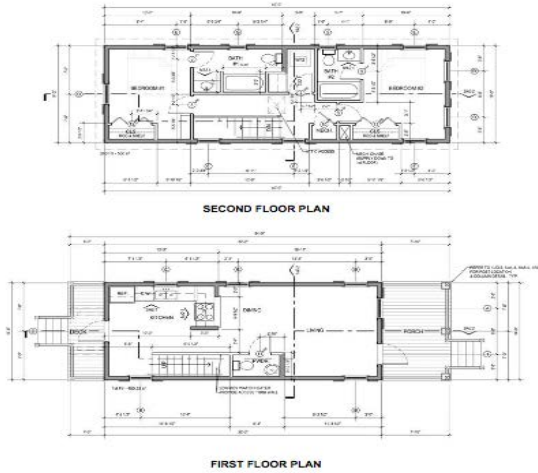


ONE BEDROOM COTTAGE (504-A)
August 23, 2017



MALONE PARK
JONES URBAN DEVELOPMENT, LLC
Memphis, Tennessee

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STREET ELEVATION



TWO-STORY COTTAGE (1010-A-1)
August 23, 2017



MALONE PARK
JONES URBAN DEVELOPMENT, LLC
Memphis, Tennessee

EXTERIOR DOOR AND WINDOW ELEVATIONS

DOOR SCHEDULE

FRONT ELEVATION

REAR ELEVATION

RIGHT SIDE ELEVATION

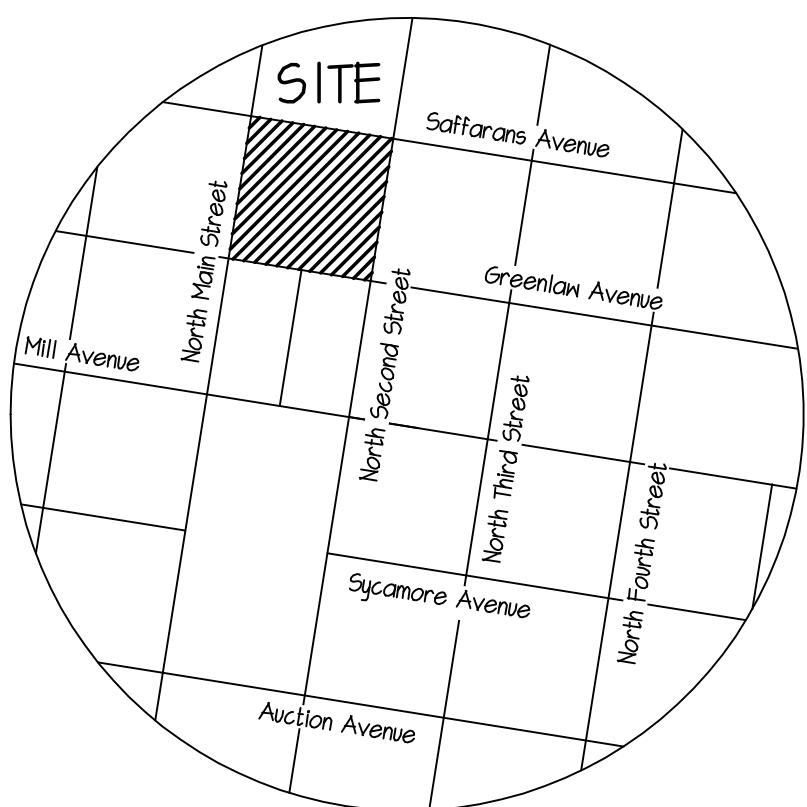
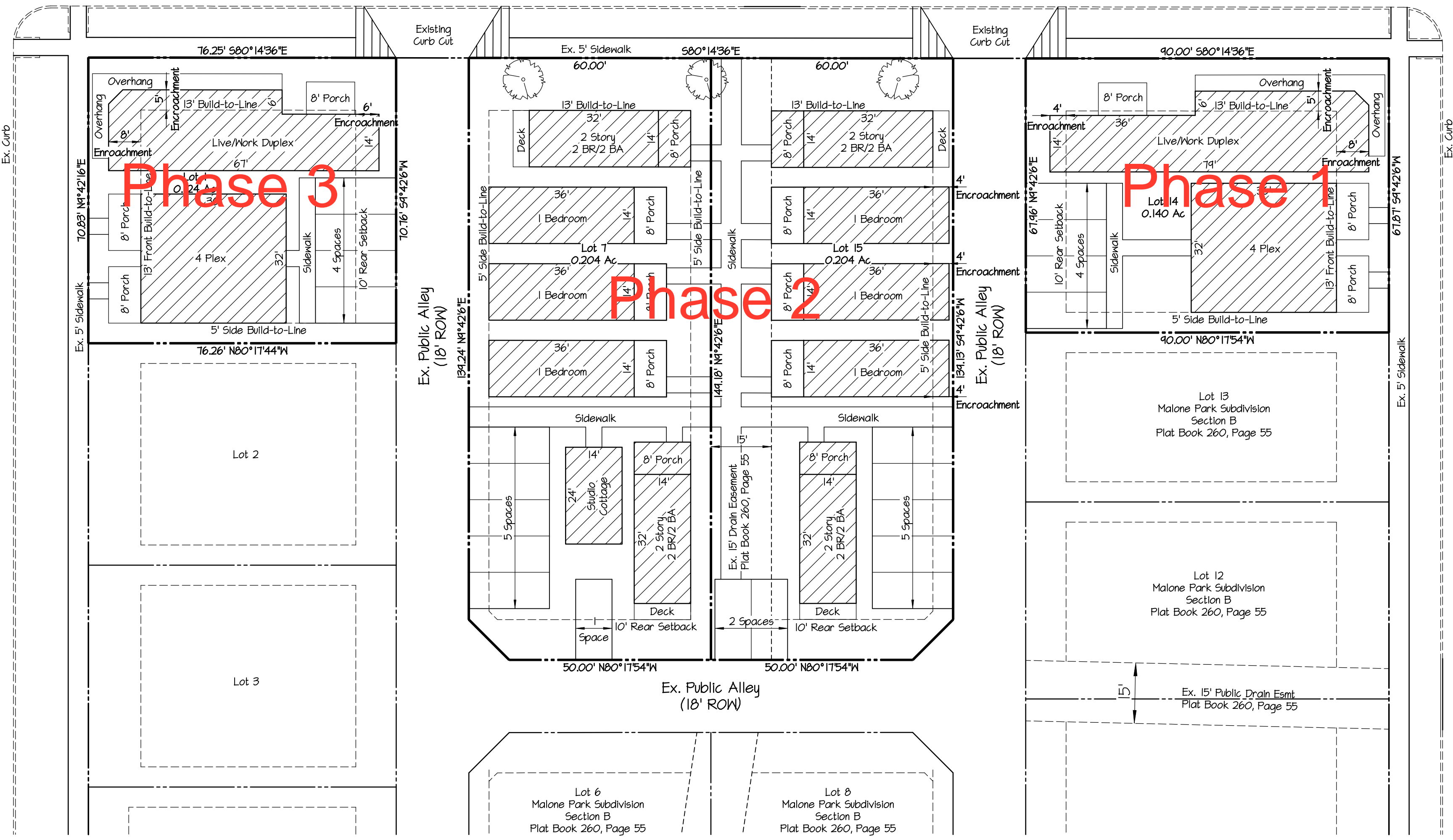
LEFT SIDE ELEVATION

FLOOR PLAN

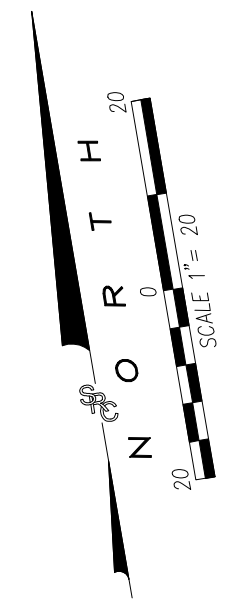
COTTAGE 360-B-1b

DESIGN DEVELOPMENT A1

Saffarans Avenue (66' ROW)



VICINITY MAP
NTS



SITE PLAN
LOTS 1, 7, 14 and 15
MALONE PARK SUBDIVISION, SECTION B

OWNER: **MLB-UPTOWN, LLC**
 DEVELOPER: **JONES URBAN DEVELOPMENT LLC**
 4 LOTS
 ZONING: **HDR**
MEMPHIS, TENNESSEE
OCTOBER 2018
SHEET 1 OF 1

SR CONSULTING, LLC
 ENGINEERING - PLANNING
 5909 Shelby Oaks Drive Suite 200 Memphis TN 38134
 901-373-0380 (fax) 373-0370
 www.SRCE-memphis.com

File: \\NF\Projects\2018\2018-01\21 Malone Park Site Plan\Site Plan.dwg, Oct 18, 2018, 2:11pm
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- Malone Park Commons Marketing Plans
 - The February 2017 Zimmerman/Volk Market Study commissioned by the Memphis Medical District Collaborative will drive our strategy of marketing to Medical District employees.
 - There are 3,240 potential rental households per year for the next five years
 - These households can support rents ranging from \$650 to \$2,250 for units containing 350 to 1,400 square feet
 - MMDC's Live Local grants can be utilized to incentivize medical district employees to rent near where they work.
 - We will market to the medical district anchor institutions and St. Jude's 1 billion dollar expansion will generate a plethora of potential new residents.
 - Harris Realty Services will manage lease up and we anticipate six months to full occupancy.
- Malone Park Commons Public Space Enhancements
 - Enhanced neighborhood lighting with historical character
 - Native landscaping
 - Permeable walks and drives
- Site Control
 - The property is currently owned by MLB-Uptown, LLC.
 - Andre D. Jones has a valid option to purchase the property.
 - There are no existing liens, nor is there any financing on the property.

Financial Items

- Applicant Finances
 - Current non-audited financial are attached.
 - Populace Homes' accounting relationship is with Watkins Uiberall, PLLC.
 - This is the first attempt develop this project.
- Project Finances
 - The amount of the requested development loan is \$200,000.
 - We are in conversations with two banks who are interested in financing the project.

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□ Sources of Funds

Project Debt	\$1,724,763.00
Equity Stake	\$435,000.00
DMC Development Loan	\$200,000.00
Total	\$2,359,763.00

□ Uses of Funds

Detail of Project Costs including:	
Land Costs	\$50,000.00
Construction Costs	\$1,750,841.00
Soft Costs	\$304,674.00
Financing Fees	\$17,248.00
Professional Fees	\$12,000.00
Other Uses	\$25,000.00
Total Project Costs	\$2,159,763.00
Other Uses - Equity Pay Down YR 2	\$200,000.00
Total Uses of Funds	\$2,359,763.00

□ Pro formas

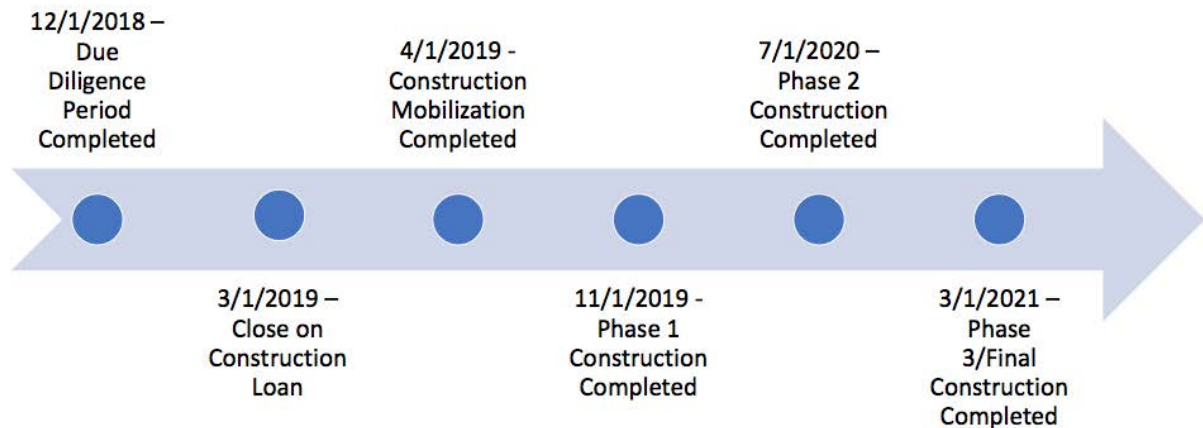
- See attachments

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Center City Development Corporation Development Loan Application

□ Project Timeline

Malone Park Commons Financing and Construction Schedule



Project Team

- Developer/General Contractor – Jones Urban Development
- Planning – Tolar Anderson Kim
- Engineering – SR Consulting
- Architect – Bruce B. Tolar, Architect
- Legal – Shelley Rothman of Griffin, Clift, Everton and Maschmeyer

Credit References

- Business
 - First Alliance Bank – John Luke (901) 753-8339
 - Ellendale Electric – Jan Putnam (901) 412-2522
 - Thrifty Building Supply – Kim Rankhorn (901) 316-2900
- Personal
 - FedEx Credit Union – Jeanette Williams (901) 263-8600
 - Region's Bank Mortgage

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Center City Development Corporation Development Loan Application

Disclosures

- None of the applicants, guarantors, or any other principals involved with the project are currently engaged in any civil or criminal proceeding.
- None of the applicants, guarantors, or any other principals involved with the project have ever been charged or convicted of any felony or currently under indictment.
- The applicants have never filed for bankruptcy.

Applicant Affirmation

- Andre D. Jones
 - 598 North Main Street, Memphis, TN 38105
 - (901) 336-2305
 - andre@jonesurban.com
- W.C. Jones, Jr.
 - 3384 Burgess Drive, Memphis, TN 38118
 - (901) 336-2315
 - curtis@jonesurban.com

This application is made in order to induce the Memphis Center City Development Corporation (CCDC) to grant financial incentives to the applicant. The applicant hereby represents that all statements contained herein are true and correct. All information materially significant to the CCDC in its consideration of the application is included. The applicant expressly consents to the CCDC's investigation of its credit in connection with this application. The applicant acknowledges that it has reviewed the descriptions of the CCDC financial program for which it is applying and agrees to comply with those policies. The applicant shall also be required to show a good faith effort with regard to the employment of minority contractors. The applicant specifically agrees to pay all reasonable costs, fees and expenses incurred by the CCDC whether or not the incentive is granted or project completed.

Applicant

Date

Malone Park Commons Pro Forma - WITH PILOT

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Total Residential Square Footage	16480	16480	16480	16480	16480
Total Number of Units	25	25	25	25	25
Vacancy Assumptions	6.00%	6.00%	6.00%	6.00%	6.00%
Revenue per Square Foot	\$13.86	\$14.41	\$14.99	\$15.59	\$16.21
Total Projected Revenue (4.0% Appreciation)	\$228,420.00	\$237,556.80	\$247,059.07	\$256,941.43	\$267,219.09
Expenses					
Operating Expenses					
Management/Leasing Fees	\$26,017.00	\$26,407.26	\$26,803.36	\$27,205.41	\$27,613.50
Insurance	\$4,200.00	\$4,263.00	\$4,326.95	\$4,391.85	\$4,457.73
Trash and Recycling	\$6,768.00	\$6,869.52	\$6,972.56	\$7,077.15	\$7,183.31
Water and Sewer	\$6,768.00	\$6,869.52	\$6,972.56	\$7,077.15	\$7,183.31
Landscape Maintenance	\$3,360.00	\$3,410.40	\$3,461.56	\$3,513.48	\$3,566.18
Capital Reserves	\$5,000.00	\$5,075.00	\$5,151.13	\$5,228.39	\$5,306.82
Misc. Repairs	\$5,000.00	\$5,075.00	\$5,151.13	\$5,228.39	\$5,306.82
Property Taxes	\$18,990.00	\$18,990.00	\$18,990.00	\$18,990.00	\$18,990.00
Total Projected Expenses	\$76,103.00	\$76,959.70	\$77,829.24	\$78,711.83	\$79,607.66
Net Operating Income	\$152,317.00	\$160,597.11	\$169,229.83	\$178,229.61	\$187,611.44
Debt Service					
Primary Debt Service	\$ (127,099.00)	\$ (127,099.00)	\$ (127,099.00)	\$ (124,913.00)	\$ (124,913.00)
Dev Loan Debt Service		\$ (11,037.00)	\$ (11,037.00)	\$ (11,037.00)	\$ (11,037.00)
Total Debt Service	\$ (127,099.00)	\$ (138,136.00)	\$ (138,136.00)	\$ (135,950.00)	\$ (135,950.00)
Debt Service Ratio	\$1.20	\$1.16	\$1.23	\$1.31	\$1.38
Net Cash Flow	\$25,218.00	\$22,461.11	\$31,093.83	\$42,279.61	\$51,661.44
Return on Owner's Equity (\$435,000)	5.80%	5.16%	7.15%	9.72%	11.88%
Total Project Cost (\$2,159,763)					