



WESTBETH GREENS & THE BELLTOWER



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A. INTRODUCTION & EXECUTIVE SUMMARY



ABOUT US

Harebell Development Corporation (“Harebell”) is a vertically integrated real estate investment and development company composed of a team of in-house designers, architects, and analysts, that specializes in creating value through transformative and distinct urban revitalization projects. Utilizing decades of our collective experience in the real estate industry, our mission is to come up with creative solutions to some of the most complex issues facing the urban built environment through holistic due diligence, an iterative problem solving process, and unique financial & architecture development structures. At our core, Harebell values a human focused approach to community building and placemaking through sustainable financial practices. Harebell is named for the distinctive Harebell Flower which is symbolic of constancy.

The aim should be to get that project, that patch upon the city, rewoven back into the fabric - and in the process of doing so, strengthen the surrounding fabric too.

Jane Jacobs



Michael Adelstein



Hajir Al Khusaibi



María Figueira



Nick Laffin



EXECUTIVE SUMMARY

Westbeth Greens and The Belltower (“The Project”) is Harebell’s response to a public Request For Proposal, which seeks to revitalize and reimagine a future for one of New York City’s most iconic affordable artist housing developments. The Project carefully considers Westbeth’s artists housing today, as well as its history, and puts forward a plan intended to open the site to the community and provide a meaningful economic incentive to support the property’s artist housing operations. Harebell has therefore created the following four high level objectives, which we believe are critical components that The Project must directly address and seek to answer:

- Provide consistent cash flow for Westbeth Artist Housing Corp.
- Develop cohesive commercial spaces
- Reimagine under-utilized public spaces
- Solidify Westbeth’s iconic status within the West Village

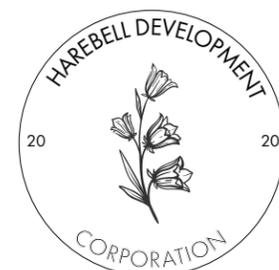
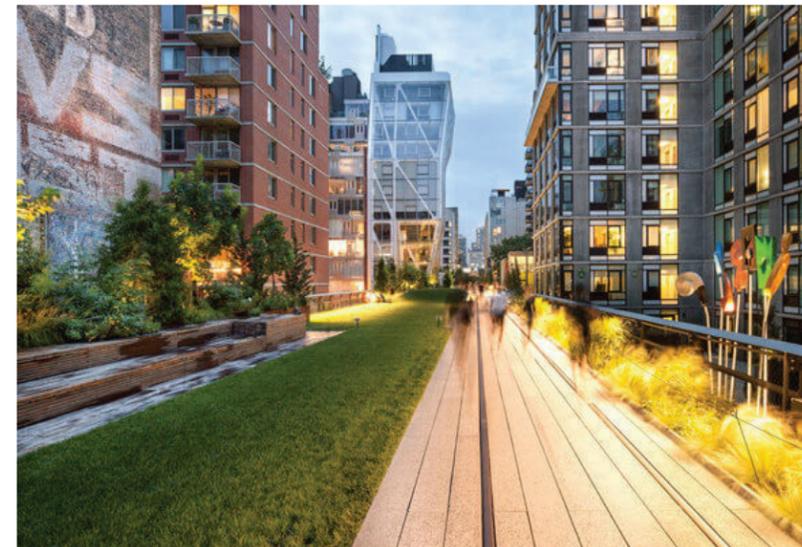


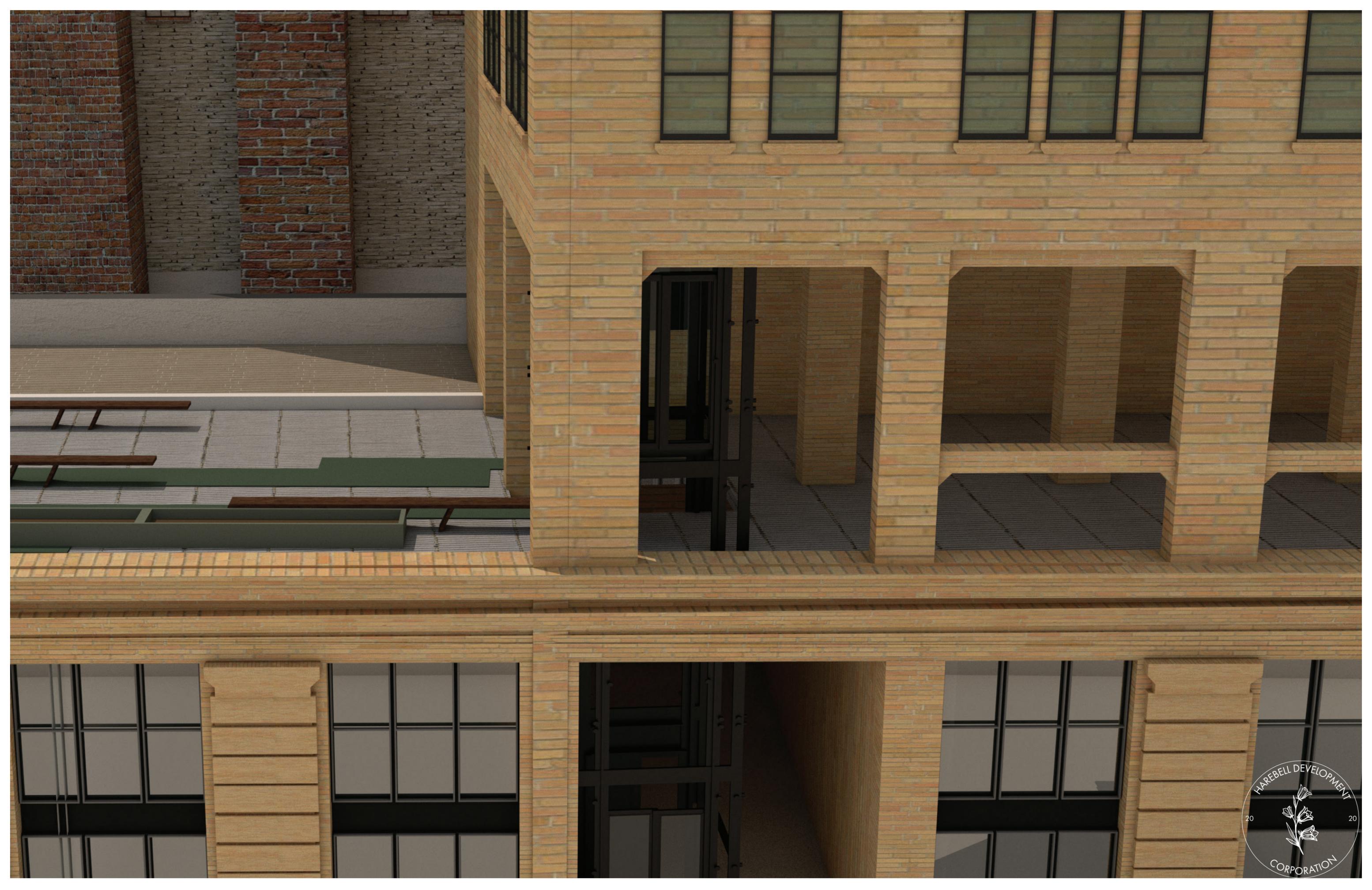
DEVELOPMENT PROGRAM & OBJECTIVES

After a lengthy iterative process during which time many deal structures and land use options were considered, Harebell came to the following conclusion: the best way to let Westbeth succeed would be to let them do what they do best. To us, this would mean providing Westbeth with the maximum amount of income as possible on a consistent basis while bearing the costs for redeveloping the greater community. Given these objectives, Harebell's program will seek to accomplish the following:

- Tax lot subdivision & ground lease of southern half of lot.
- Removal of 70,520 SF of existing commercial space.
- Construction of 229,813 SF of new residential and commercial space.
- 170 Newly residential units all market rate.
- Development of 30,858 SF of outdoor public amenity space.
- Full refurbishment of unused portion of historic High Line.

Strategic placement of new construction, minimal demolition and the activation of public space will allow us to open Westbeth's imposing presence to the community and establish it as a critical thread to be woven into the fabric that is the West Village's historic neighborhood.



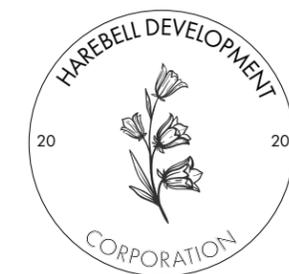


B. PROPOSAL & PROJECT SUMMARY



WESTBETH

The Westbeth Artists Housing Development is a nonprofit housing and commercial complex dedicated to providing affordable living and studio space for artists and arts organizations in New York City's West Village. Originally the home of Bell Laboratories in the early 20th century, the complex became defunct in the 1960's prior to an expansive adaptive reuse project in the 1970's. The property's current iteration includes 384 rent stabilized apartment units exclusively for artists in its main building, and over 50,000 square feet of commercial and community spaces spread across two adjacent buildings. Home to many significant artists and cultural movements over the last half a century, Westbeth is emblematic of the creative essence that gives the West Village its unique character.



WESTBETH

While the establishment of affordable & specialized live-work artist housing has seen high demands and praise (as evidenced by the long approval waitlists), the community has fallen into a state of relative disrepair over the last few decades. A combination of mismanagement, insufficient growth in income, and deferred maintenance associated with damage from Hurricane Sandy has collectively handicapped ownership's capacity to provide the appropriate services and improvements to maintain a high standard of living. Given the aging in-place population, numerous capital upgrades are required to make Westbeth more senior-friendly and more comfortable for its residents.



WESTBETH

Adding to both the allure and complexity of the overall project, Westbeth was added to the National Register of Historic Places on December 8th, 2009. Additionally, The Greenwich Village Society for Historic Preservation (GVSHP) was successful in a campaign to have the New York City Landmarks Preservation Commission (LPC) designate the entire complex as an individual landmark in 2011. The NYS Landmarks Law requires owners to keep landmark properties in good repair and obtain a permit from LPC before starting work that affects or alters the appearance of the building, or if the work requires a Department of Buildings Permit.



C. COMMUNITY BENEFITS & ZONING ANALYSIS



NEIGHBORHOOD

Tucked between the Hudson River and Greenwich Village in the southwest quadrant of Manhattan, The West Village is one of the city's most beautiful yet pricey neighborhoods. Primarily residential, with a distinct lack of office buildings, the leafy, off-the-grid streets are peaceful during the day but get livelier at night. That's when well-heeled residents, fashionistas, and literati can all be found mingling over oysters at the area's many low-lit cocktail bars. Perfect for lazy strolls along tree-lined streets accompanied by historic homes, stylish cafes, and artsy shops, the area's distinction is a virtue of its aggressive stance towards preservation, which is deeply rooted in its origin. Established in 1969 by the then four-year-old NYC Landmarks Preservation Commission (NYCLPC), West Village has continuously restricted major redevelopments in order to maintain its historical integrity. The Greenwich Village Historic District covers the entirety of the West Village except for the western edge along the Hudson where Westbeth is located.

Demographically, the West Village is composed predominantly of white, young professionals between the ages of 25-44, with the Median Household Income at one of the highest levels in the city; close to \$135,000.



MARKET ANALYSIS

The West Village is home to a diverse array of housing, ranging from NYU dorms to luxury townhouses to pre-war apartments and so on. However, all else held equal, apartments in this neighborhood blatantly outprice their comparables in other areas of NYC in both home sales and rentals. Rents in this historic neighborhood are some of the priciest in Manhattan, with average rents for market rate housing for one bedrooms within 0.50 miles of Westbeth hovering around \$4,600/month prior to a drop off associated with the Pandemic. Subsequently, the high housing costs seem to put off some renters as the neighborhood's vacancy rate was amongst the highest in Lower Manhattan at 1.52%, prior to the pandemic, and has since dropped to ~90.1%.

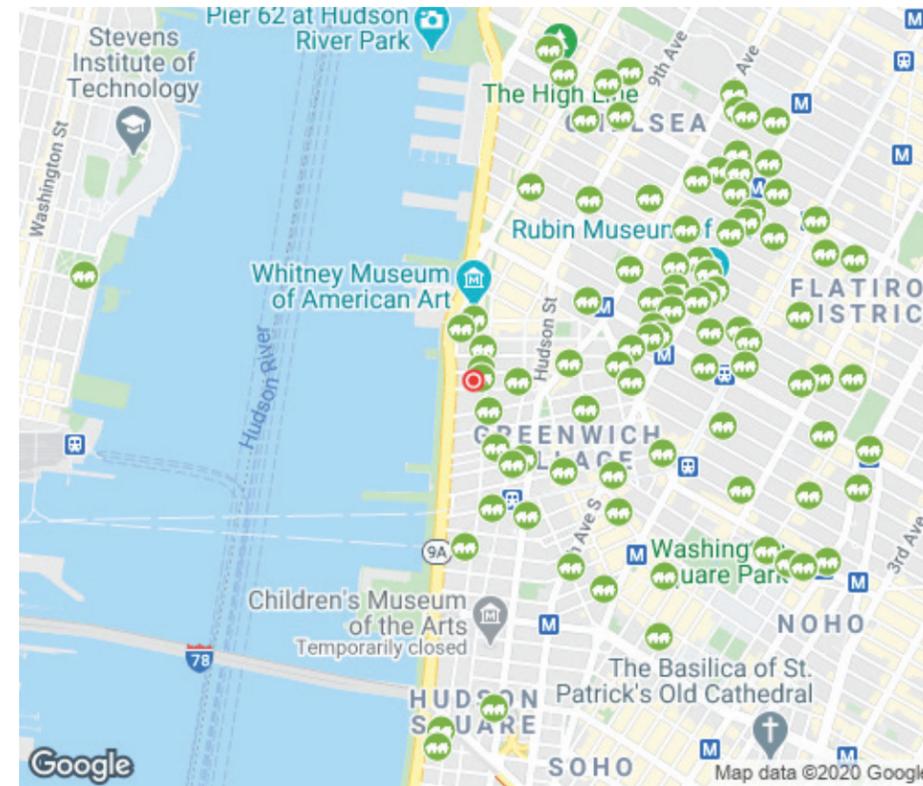
While a non-insignificant amount of new development is either prospective or under construction currently, the total units added are likely to be absorbed in a post-pandemic leasing market.

AREA INFORMATION MULTIFAMILY

DEVELOPMENT ACTIVITY



NEARBY PROPERTIES



92
Properties in the Area

14,181
Total Units in the Area

4,880,372
Total SqFt in the Area

B Average Improvements Rating

A- Average Location Rating

- Target Location
- Multifamily Properties

RENT AND OCCUPANCY

\$4,170

Average Rental Rate
One bedroom

\$6.06

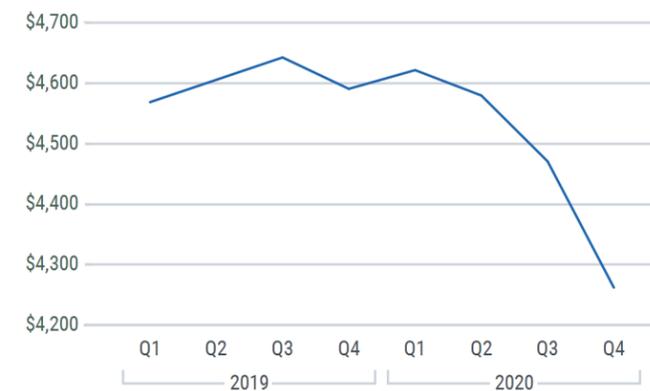
Average Rent per SqFt
One bedroom

90.1%

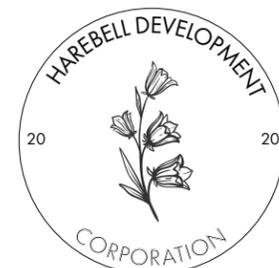
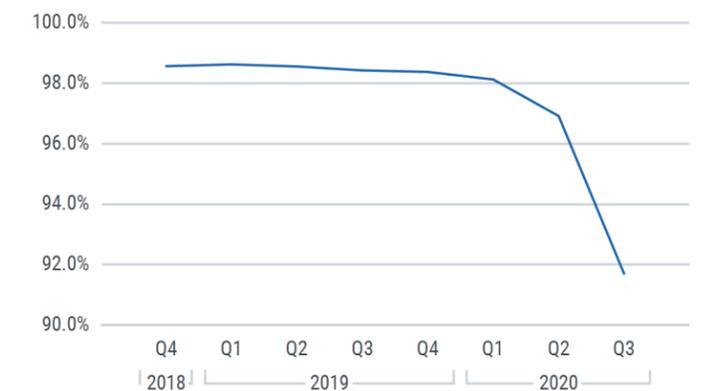
Occupancy Rate
As of Q3 2020

Comparable Set
Improvements Rating
A, A+, A-, B, B+, B-, C, C+

Average Comparable Rents 1-Mile Radius

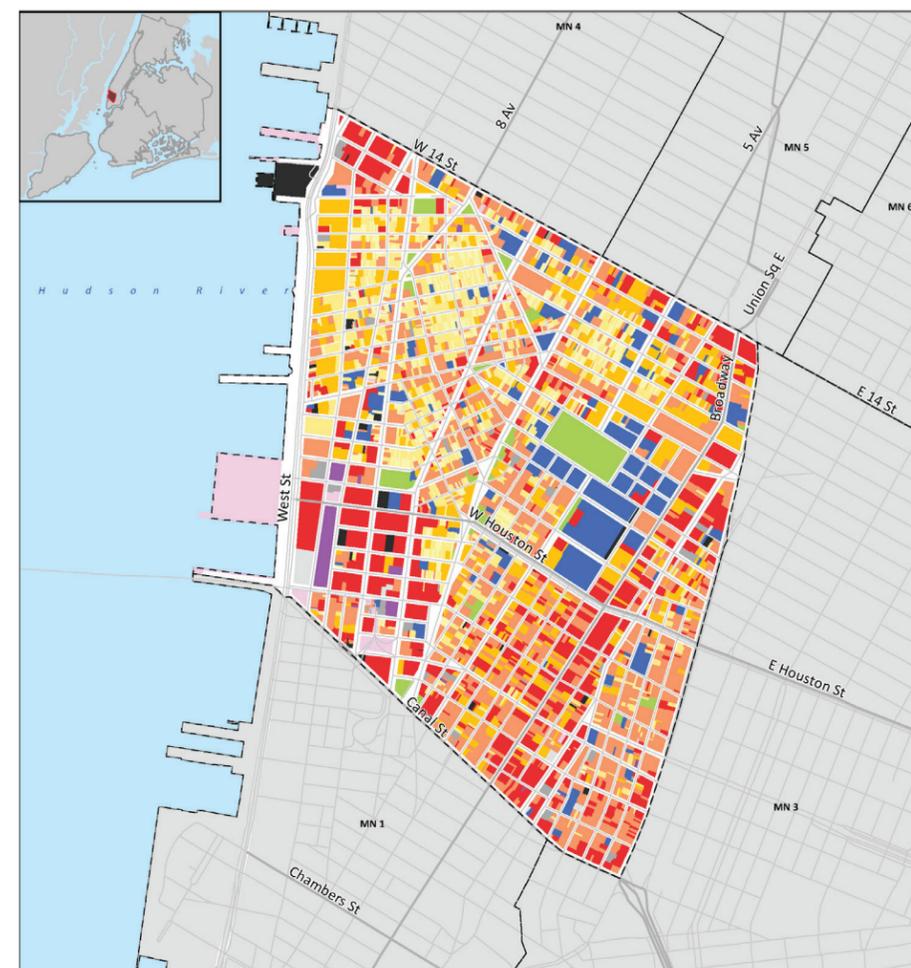


Comparable Occupancy Rates 1-Mile Radius



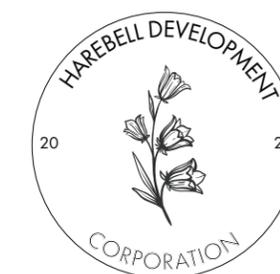
COMMUNITY NEEDS

Every year Community Boards present a fiscal statement that identifies each district’s most pressing needs. For the Manhattan Community District 2, which encapsulates the West Village, the three most pressing issues facing the community for the 2021 Fiscal Year are parks, schools and senior services. The land use map shown on the right illustrates the distribution of constructed spaces across the district. Of particular interest to this proposal was the dearth of open space and green space surrounding Westbeth, where a higher density of orange appears on the map. Parks provide intrinsic environmental, aesthetic, and recreational benefits especially in dense urban settings where concrete and steel often dictate the landscape. Westbeth Greens and The Belltower directly respond to this need for green spaces set forth by the Community District through the development of a publicly accessible elevated park and the revitalization of the historic High Line.



Manhattan Community District 2 - Land Use

- One & Two Family Buildings
- MultiFamily Walkup Buildings
- MultiFamily Elevator Buildings
- Mixed Commercial/Residential Buildings
- Commercial/Office Buildings
- Industrial/Manufacturing
- Transportation/Utility
- Public Facilities & Institutions
- Open Space
- Parking Facilities
- Vacant Land
- All Others or No Data
- Community Districts



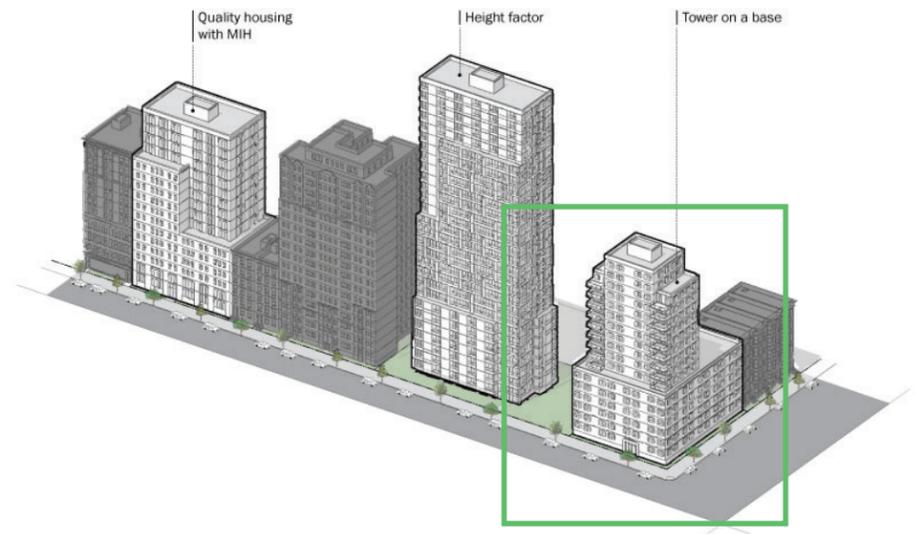
ZONING ANALYSIS

Westbeth's distinct scale is a result of its former life as Bell Laboratories. As a commercial structure, the spaces read utilitarian in nature and were only converted to residences in 1970, becoming the nation's first subsidized artists housing. Surrounded by C1 districts, which are mapped along streets that serve local retail needs, and R6 districts, which are primarily residential, Westbeth's demarcation more closely resembles those found in Chelsea and the Meatpacking District. C6 districts are intended for commercial areas that require central locations or serve the entire metropolitan region, which means this particular corner of the West Village is primed for further development and regeneration. More specifically, Westbeth's proximity to the High Line entrance at Gansevoort Street makes it an excellent extension to the public spaces and green parks created along the High Line Corridor.



ZONING ANALYSIS

Westbeth is a mixed-use complex consisting of residential, commercial, and community facility uses. Located in a C6-3 zoning district, the complex has a residential equivalent of R9 which is primarily for high density residential. This equivalent allows for higher floor area ratios and typically results in larger buildings. With a lot size of 96,530 square feet, Westbeth comprises 637,555 GSF which effectively utilizes a FAR of 6.6. The site's as-of-right zoning permits up to 6.0 FAR for commercial, 7.52 FAR for residential, and 10.0 FAR for community facilities. With the inclusion of community facilities, the site has a potential 965,300 GSF where residential and commercial must remain equal to or below their respective FARs. Although there is uncertainty surrounding the exact square footage of each existing use at Westbeth, our estimates allow for the addition of 179,783 SF while remaining below the 7.52 Residential FAR. Though in order to construct The Belltower in its full magnitude, a variance must be obtained from the NYC Zoning Board and Appeals to reach our proposed building height of 294 feet.

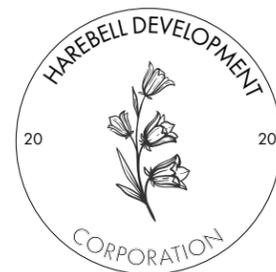


		General Central Commercial District														
C6		C6-1	C6-2	C6-3	C6-4 C6-8	C6-5	C6-7	C6-6 C6-9	C6-1A	C6-2A	C6-3A	C6-3D	C6-3X	C6-4A	C6-4X	
Commercial FAR		6.0			10.0		15.0		6.0			9.0		6.0		10.0
Residential District Equivalent		R7-2	R8	R9	R10			R6			R8A		R9A		R9D	
Required Accessory Parking PRC-B		None														
Permitted Sign Regulations (surface area)		5 X street frontage (500 of total)			No restriction			5 X street frontage (500 of total)								

		High-Density Non-Contextual Residence District									
R9		FAR	Open Space Ratio	Lot Coverage		Base Height	Sky Exposure Plane	Tower Lot Coverage	DU Factor	Required Parking	
		max.	range	Corner	Other	min-max		min-max		Basic	IRHU
Height Factor w/ Tower allowance	Basic	0.99-7.52	1.0-9.0	n/a		n/a	Starts at 85 ft	n/a-40%	680	40% of DU	12% of IRHU
Tower-on-a-base	Basic Inclusionary	7.52 8.00	n/a	100%	70%	60-85 ft	n/a	30%-40%			

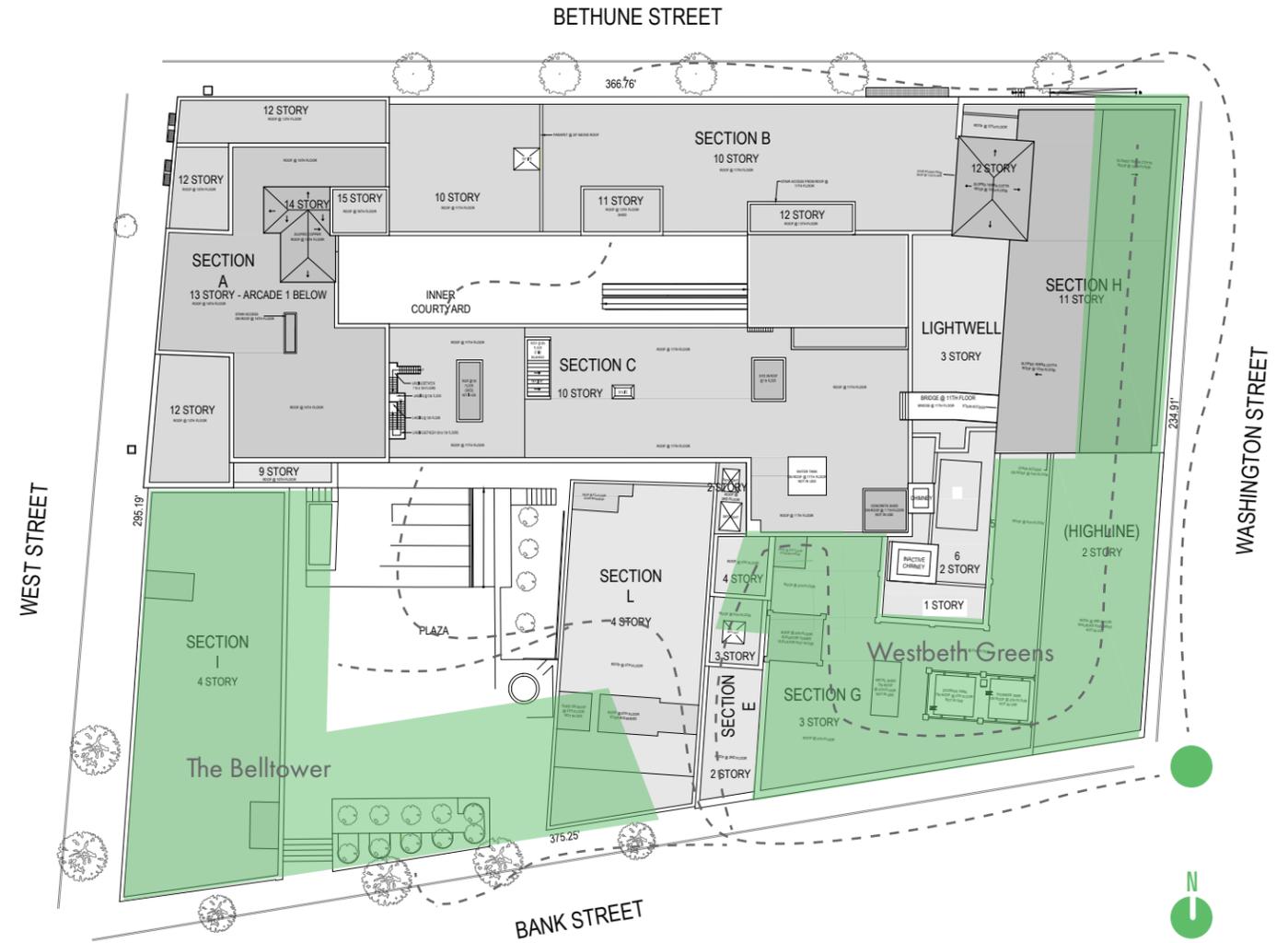


C. DESIGN & ARCHITECTURAL NARRATIVE



PROGRAM OVERVIEW

Our proposal recommends the demolition of sections E, I and L as well as the top storey of section G. Starting from Washington Street, the High Line portion will be combined with the rooftop of Section G to create a 17,500 SF elevated park and public amenity. The covered section will be retrofitted to act as an outdoor gallery and serve as a community gathering space. The park will be accessed from an interior semi-enclosed courtyard. The courtyard entrance will shift closer to Washington Street along Bank Street. This repositioning preserves the connection point to the internal Westbeth courtyard and allows for the residential construction in the back to have a more grounding footprint. The L-Shaped base allows the new building to house more community spaces while creating a barrier from the elements and traffic.





DESIGN NARRATIVE

Westbeth is most approachable when it can be fully grasped at the human scale. We believe the site needs to be first introduced from the corner of Washington Street and Bank Street, where what is unassuming becomes evident and inviting, allowing passersby to venture in. We see this as Westbeth's second adaptive reuse, where in addition to being artists housing, it is also a community meeting place and creative safe space. To do so, we have pushed new construction towards the back, against the West Side Highway, protecting the property from high wind and loud noises. A smaller footprint on the Southwest corner allows for more light and air to reach the existing units, while maximizing the use of available FAR. The reconfiguration of the public spaces, as well as the introduction of more green spaces, opens up the site to the West Village, and by extension the city. We believe that by creating spaces that benefit Westbeth residents and their neighbors, we can solidify the site's standing as a New York cultural institution.



MASSING, PLANS & ELEVATIONS

The massing reinforces our concept as it pushes bulk towards the back, freeing up space on the Southeast end of the property. The negative space created above the elevated park preserves Westbeth's architectural singularity and allows for a seamless introduction of public spaces. When considering our program, we felt it was important to preserve many of the visual highlights, including the chimneys and the High Line piloti.

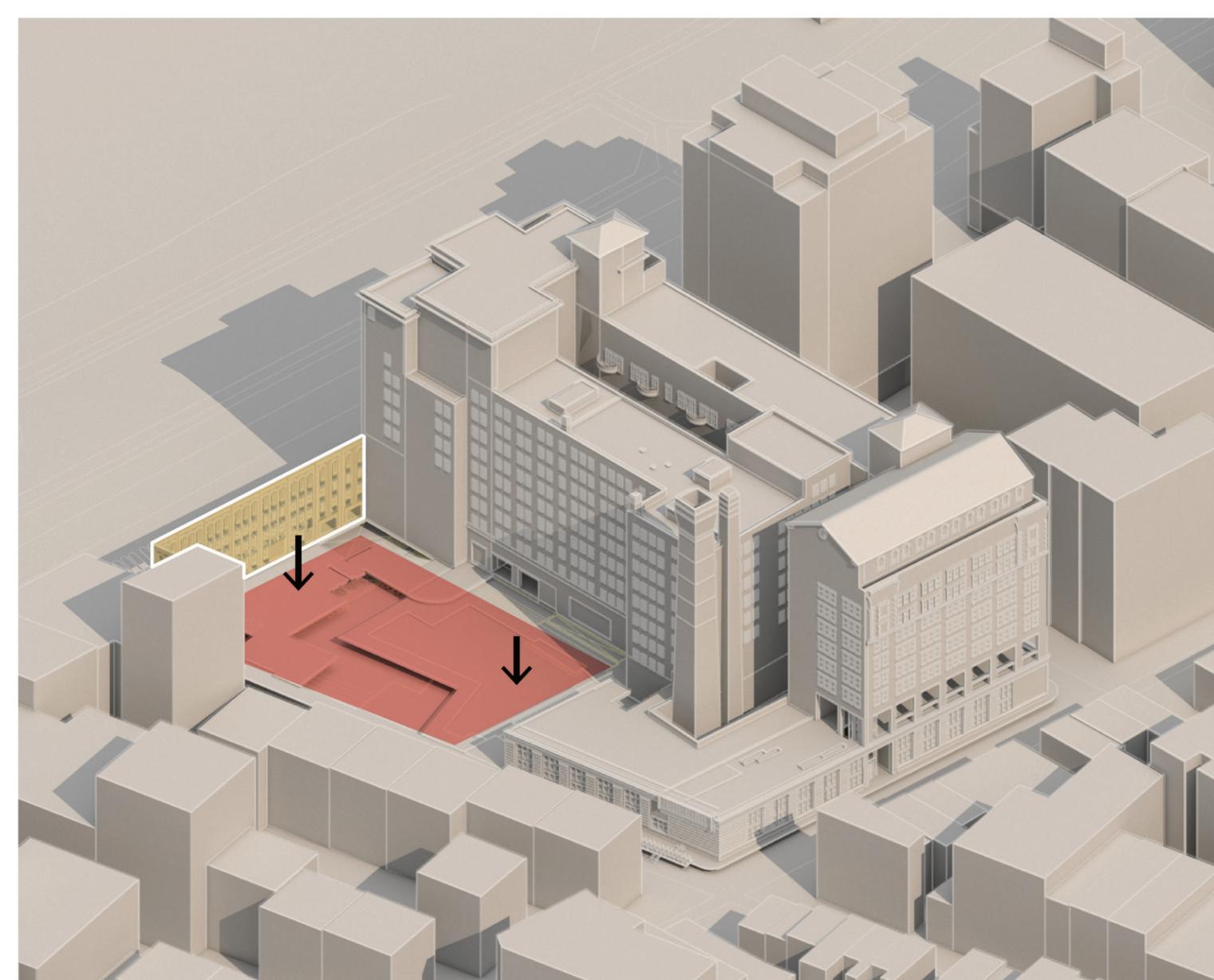
Selected plans show the new construction footprint. The ground floors will house the community facilities, including the New School of Drama. The residential building will make use of the remaining twenty-four floors and the two below grade levels, which will be utilized for amenities and storage.

Selected elevations show the opening of Westbeth to the community. The West and North facades retain their place as protective barriers, maintaining maximum heights and coverage. The South and East facades instead allow for permeability, leaving room for a conscious downscaling.





Demolition



Preservation





Construction



Construction







163

155 BANK STREET





55 BANK STREET

**THE
NEW SCHOOL**

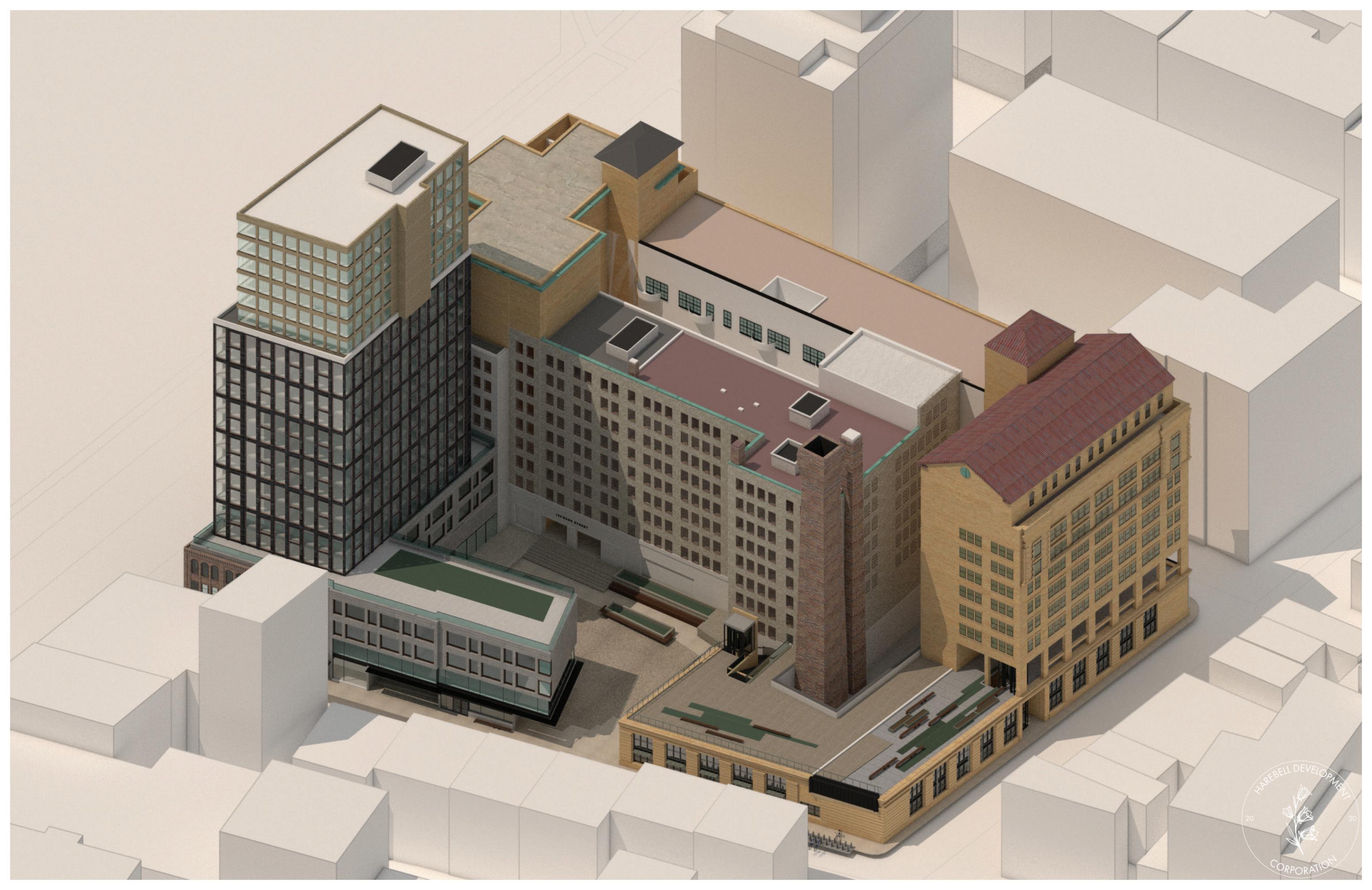






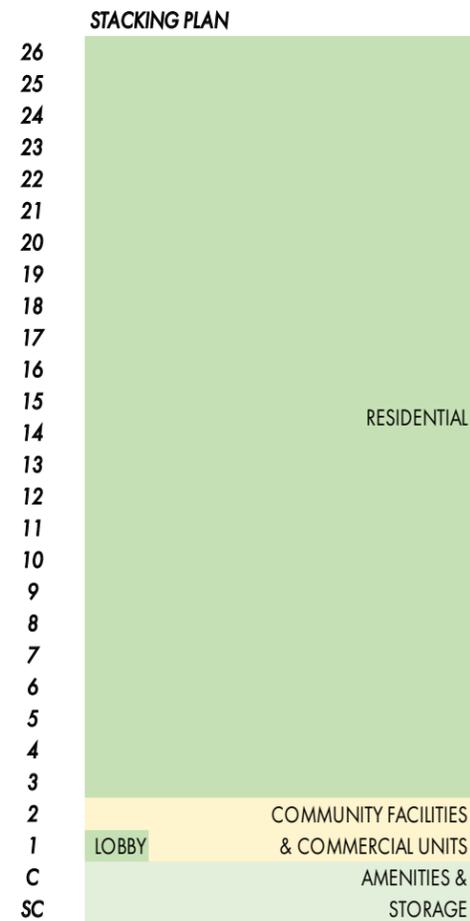






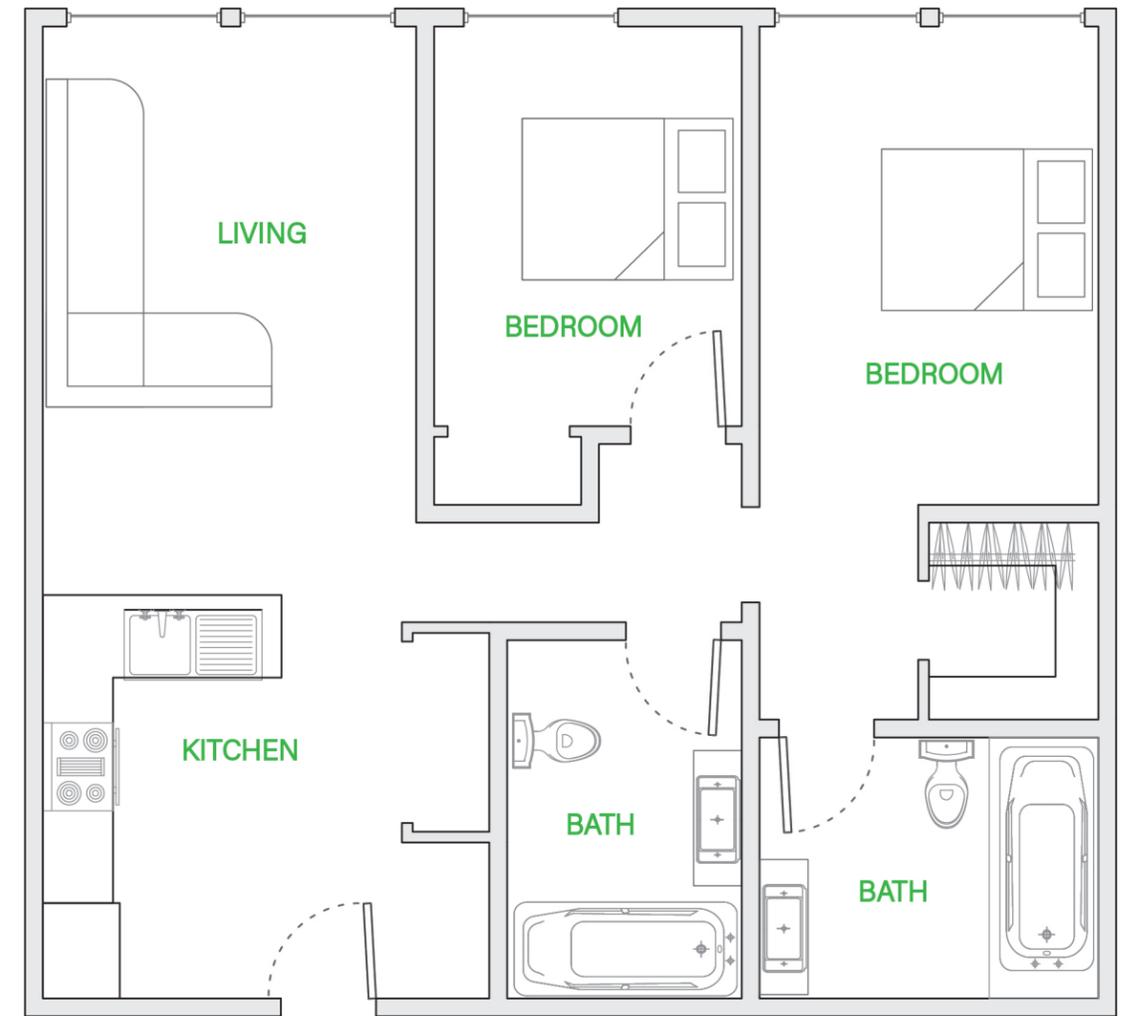
UNIT TYPES

After reviewing unit mix allocations across the West Village and taking into consideration potential lifestyle shifts as result of the pandemic, Harebell constructed the below stacking plan. The unit mix is weighted heavily towards 2 bedrooms due to our expected target demographic: young professionals who may prefer to work from home and use the second room as an office.



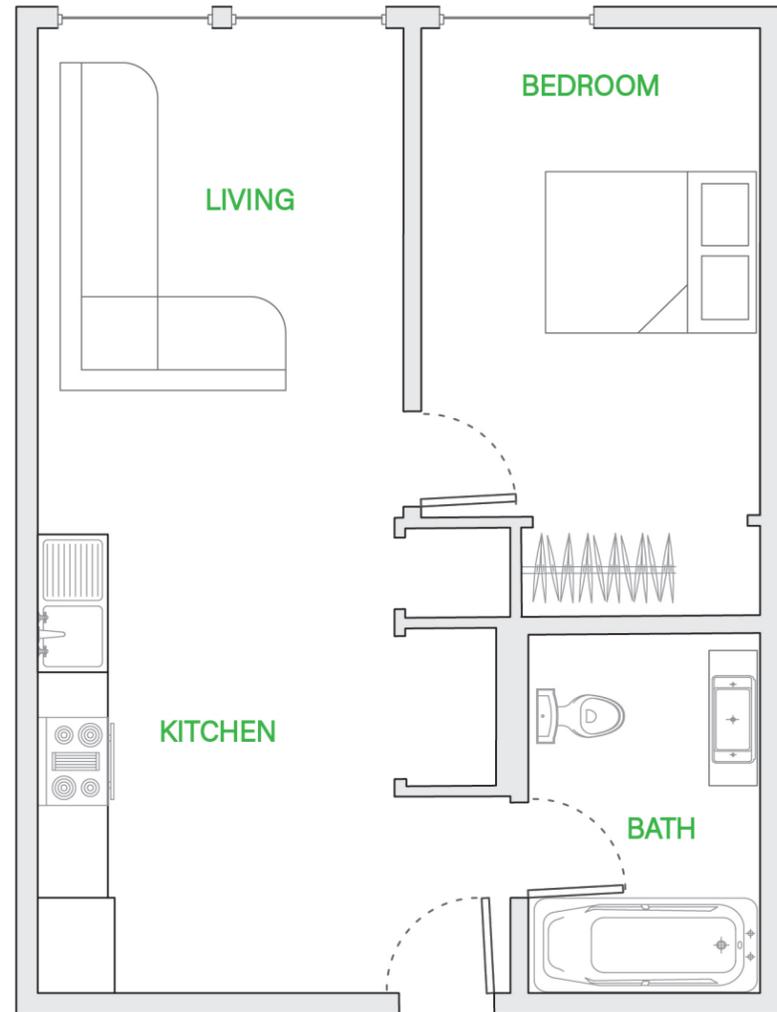
UNIT COUNT

STUDIOS	14
1 BEDROOM	44
2 BEDROOMS	87
3 BEDROOMS	21
4 BEDROOMS	4
TOTAL	170

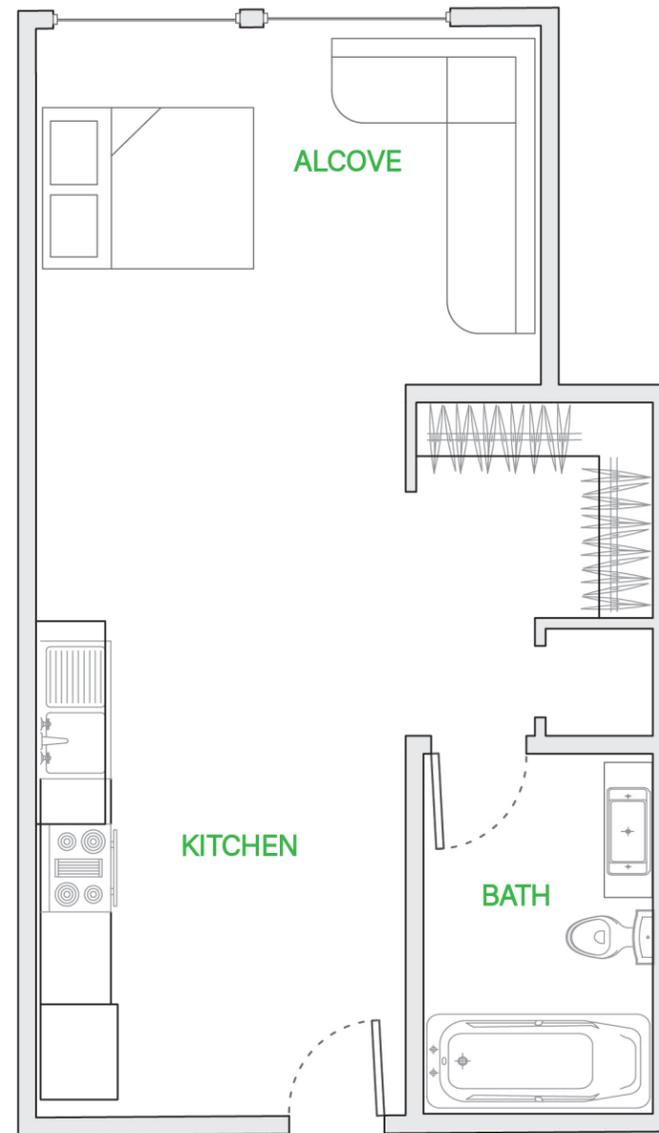


2 Br 2 Bath





1 Br 1 Bath



Alcove Studio

D. FINANCIAL OVERVIEW



SOURCES & USES

Harebell Development Corporation utilized publicly available market income, expense, construction, and capital markets data, as refined by our personal experiences working in the real estate industry, to craft a financial narrative which supports the development proposition. Total Development Costs are forecasted to be approximately ~\$96.3 million, which will be financed with 80% Loan To Cost HUD 221 (d) (4) construction debt and a 20% equity infusion that will be further allocated 90-10 between a group of syndicated equity partners and Harebell. Once construction wraps, the construction loan will be converted to a 40 year fully amortizing permanent loan with a small cash out provision and an expected initial loan to value of 64.3%. Net Operating Income should stabilize in excess of \$6 million annually, after taking into account a \$2 million ground lease to the Westbeth Artist Housing Corp and should be more than sufficient to cover the property's debt service, with a DSCR minimum of ~1.4x.

DEVELOPMENT BUDGET

Harebell Development Corporation forecasts a total cost basis of \$101 million, allocated as follows:

- \$2.1 million for acquisition costs which will predominantly cover demolition costs and site work to scrape the plot of functionally obsolescent improvements and legal costs for the drafting and memorialization of the ground lease framework and agreement.
- \$84.1 million in total Hard Costs which includes the development of residential, commercial space, amenities, and the redevelopment of the High Line. Additionally included in this figure is a 5% contingency buffer of \$4.0 million.
- \$10.1 million in Soft Costs including contractors fees, various transaction closing, legal and third party expenses, the HUD mortgage insurance premium and Harebell's development fee.
- \$4.7 million in Carry Costs

It is forecasted that the project will take 18 months once the transaction has closed and construction financing is appropriately lined up. Costs projections were forecasted using an S-Curve formula such that the majority of costs incurred halfway through the project. Equity proceeds are required to be funded prior to the HUD construction debt.

INCOME

The Development's unit mix, apartment sizes, and average monthly rental rates were developed after careful review of comparable market rate properties located within a half mile radius of Westbeth. The analysis start date is forecasted to begin in 2023 so adverse market impacts from the COVID-19 pandemic were not considered, although the HUD financing has specific conservative underwriting requirements such as a minimum 7% vacancy rate which was included. Rent figures for commercial space and community facilities were derived from Compstak market data and Harebell intends to provide these spaces for both Westbeth's existing base of commercial tenants as well as new ones that cohesively fit into the property's overall development goals.

EXPENSES

Expense figures for the residential development were derived from Yardi Matrix's Financial database by creating an average per unit cost line item from 11 comparable market rate properties located within 1 mile of the subject property. Once these figures were grossed up to account for the number of units at the planned development, the only adjustment which was made was to incorporate the historic preservation tax credit from the investment in the High Line. This was accomplished by taking 20% of the investment in any funds for the High Line space and dividing that amount by the hold period in order to carry the funds forward to reduce the ongoing tax liability. Additionally, HUD financing requires significant annual capital reserves to shield the property against significant degradation; ~\$550K was budgeted on an annual basis to cover for these expenses.

FINANCIAL REPORT

The financial analysis was run using a 10 year hold period in order to present legitimate economic return metrics, although in reality Harebell intends to hold the development property in perpetuity. Regardless, taking into consideration the total equity investment of \$20.2 million, the property should generate ~\$6 million in stabilized Net Operating Income and ~\$700-1 million in stabilized levered cash flow. Utilizing a trended year 11 Net Operating Income with a conservative 4.5% going out cap rate yields a reversion value of \$152.9 million, which after debt repayment should equate to ~\$68.9M in total equity sale proceeds. On a levered property level basis this should equate to a 4.31 equity multiple and a 20.34% IRR.

12/8/2020
HAREBELL DEV CORP.

West Village, NY
ANALYSIS START - JAN 2023

INVESTMENT DESCRIPTION

Address	55 Bethune Street, West Village NY
Units	170 Units
NRA (SF)	154,526
Land Area	0.8 Acres
Building(s)	1 Bldg
Height	26-Story
Parking Spaces	0
Parking Ratio	0.00/Unit
Analysis Start	Month 1 Jan-2023
Construction Start	Month 1 Jan-2023
Construction End	Month 18 Jun-2024
1st Unit Delivered	Month 19 Jul-2024
Stabilization	Month 28 Apr-2025
Sale Date	Month 120 Dec-2032

STRENGTHS

- Unique Asset with rich history
- Strong residential market dynamics
- Unobstructed water views to the west
- Underutilized high line has potential for public amenity

WEAKNESSES

- Complex deal structure
- Ground lease impedes cash flows and future value
- Requires partitioning of the existing property
- Affordable housing requirement hampers cash flow needed for GL
- Existing commercial and residential tenants

KEY ASSUMPTIONS & RETURN METRICS

Growth Rates - Income / Expense	2.00% / 2.00%
Effective Rent - PSF / Per Unit	79.72 / 6,006
General Vacancy & Credit Loss	7.00%
Operating Expense Ratio	53.41%
Breakeven Occupancy (Untrended)	79.24%
Reversion Net Proceeds (After Selling Costs)	150,675,932
Permanent Loan Payoff	(81,726,422)
Equity Proceeds from Sale	68,949,510
Cash-on-Cash Return (Month 29)	6.53%
Debt Service Coverage Ratio (Month 29)	1.43X

PRO FORMA

	Untrended	Trended	Sale
Effective Gross Revenue	13,083,727	13,053,040	15,133,000
- Operating Expenses	(6,988,006)	(7,088,304)	(8,249,328)
Net Operating Income	6,095,721	5,964,736	6,883,672
- Capital Expenditures	(709,489)	(720,132)	(838,207)
Cash Flow from Operations	5,386,231	5,244,605	6,045,465
Cap Rate	4.25%	4.31%	4.50%
Valuation	143,428,719	138,446,493	152,970,489
% of Total Project Cost	141.8%	136.9%	151.2%
Valuation/Unit	843,698	814,391	899,826

SOURCES

	%	/Unit	Amount
Construction Debt	80.0%	475,942	80,910,061
Syndicated Limited Partners	18.0%	107,087	18,204,717
Harebell Development	2.0%	11,899	2,022,746
Total Sources	100.0%	594,927	101,137,525

USES

	%	/Buildable SF	/Unit	Amount
Land Costs	2.1%	7.61	12,585	2,139,450
Hard Costs	83.2%	299.22	494,863	84,126,705
Soft Costs	10.0%	35.97	59,483	10,112,067
Carry Costs	4.7%	16.93	27,996	4,759,302
Total Uses	100.0%	359.72	594,927	101,137,525

PARTNERSHIP RETURNS

	ROI	EMx	IRR
Syndicated Limited Partner	240.4%	3.40X	17.74%
Harebell Development	1020.3%	11.20X	32.92%

PROPERTY RETURNS

	ROI	EMx	IRR
Unlevered	102.2%	2.01X	8.95%
Levered	318.4%	4.18X	20.34%

DEVELOPMENT RETURNS

	Untrended	Trended	Sale
Yield-on-Cost	6.03%	5.90%	6.81%
Market Cap Rate	4.25%	4.31%	4.50%
Development Spread	177.7 bps	158.9 bps	230.6 bps

SENSITIVITY

	Exit Cap Rate	Dev. Spread	Levered EMx
Base Case	4.50%	230.6bps	4.18X
Downside #1	5.00%	180.6bps	3.44X
Downside #2	5.25%	155.6bps	3.12X
Downside #3	5.50%	130.6bps	2.83X

PROPERTY-LEVEL CASH FLOW

ANNUAL CASH FLOW REPORT

Hide Show

West Village, NY

ANNUAL CASH FLOW

	Analysis Month	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Analysis Date	Dec-2022	Dec-2023	Dec-2024	Dec-2025	Dec-2026	Dec-2027	Dec-2028	Dec-2029	Dec-2030	Dec-2031	Dec-2032
ANNUAL DEVELOPMENT CASH FLOWS												
Land Costs		2,139,450	-	-	-	-	-	-	-	-	-	-
Hard Costs		-	78,962,386	5,164,319	-	-	-	-	-	-	-	-
Soft Costs		1,050,000	6,041,378	3,020,689	-	-	-	-	-	-	-	-
TOTAL PROJECT COST BEFORE FINANCING		3,189,450	85,003,764	8,185,008	-	-	-	-	-	-	-	-
Carry Costs		650,000	420,411	3,652,309	36,582	-	-	-	-	-	-	-
TOTAL PROJECT COST		3,839,450	85,424,175	11,837,317	36,582	-	-	-	-	-	-	-
SOURCES		3,839,450	85,424,175	11,837,317	36,582	-	-	-	-	-	-	-
USES		3,839,450	85,424,175	11,837,317	36,582	-	-	-	-	-	-	-
ANNUAL OPERATING CASH FLOWS												
Rental Income		-	-	1,124,072	11,328,857	12,507,655	12,757,808	13,012,964	13,273,223	13,538,688	13,809,462	14,085,651
Other Income		-	-	7,353	48,294	51,510	52,540	53,591	54,663	55,756	56,871	58,009
Retail Income (Net of Expenses)		-	-	599,649	1,655,174	1,679,674	1,704,874	1,730,794	1,757,455	1,784,877	1,813,083	1,842,095
TOTAL POTENTIAL INCOME		-	-	1,731,074	13,032,325	14,238,839	14,515,222	14,797,349	15,085,341	15,379,321	15,679,416	15,985,755
- General Vacancy and Credit Loss		-	-	(121,175)	(912,263)	(996,719)	(1,016,066)	(1,035,814)	(1,055,974)	(1,076,552)	(1,097,559)	(1,119,003)
EFFECTIVE GROSS REVENUE		-	-	1,609,899	12,120,062	13,242,120	13,499,157	13,761,535	14,029,367	14,302,769	14,581,857	14,866,752
OPERATING EXPENSES												
WESTBETH GROUND LEASE		-	-	1,000,000	2,020,000	2,060,400	2,101,608	2,143,640	2,186,513	2,230,243	2,274,848	2,320,345
Payroll		-	-	388,634	785,040	800,741	816,755	833,091	849,752	866,747	884,082	901,764
General & Administrative		-	-	79,771	193,531	199,581	203,573	207,644	211,797	216,033	220,354	224,761
Marketing		-	-	34,375	69,437	70,826	72,242	73,687	75,161	76,664	78,198	79,762
Utilities		-	-	76,228	232,772	242,729	247,583	252,535	257,586	262,737	267,992	273,352
Other Expenses		-	-	1,229	2,483	2,532	2,583	2,635	2,687	2,741	2,796	2,852
Repairs and Maintenance		-	-	203,221	410,507	418,717	427,092	435,634	444,346	453,233	462,298	471,544
Management Fee		-	-	32,082	241,530	263,891	269,013	274,242	279,579	285,027	290,589	296,266
Insurance		-	-	51,595	104,222	106,306	108,432	110,601	112,813	115,069	117,371	119,718
Property Taxes		-	-	734,955	1,859,437	2,653,776	3,089,175	3,150,959	3,213,978	3,278,258	3,343,823	3,410,699
TOTAL OPERATING EXPENSES		-	-	2,602,091	5,918,959	6,819,499	7,338,057	7,484,667	7,634,213	7,786,754	7,942,350	8,101,063
NET OPERATING INCOME		-	-	(992,192)	6,201,104	6,422,621	6,161,099	6,276,868	6,395,154	6,516,015	6,639,507	6,765,689
CAPITAL EXPENDITURES		-	-	104,337	685,283	730,916	745,534	760,445	775,654	791,167	806,990	823,130
CASH FLOW FROM OPERATIONS		-	-	(1,096,528)	5,515,821	5,691,705	5,415,565	5,516,423	5,619,500	5,724,848	5,832,516	5,942,559
ANNUAL PROPERTY-LEVEL CASH FLOWS												
Net Unlevered Cash Flow		(3,189,450)	(85,003,764)	(9,281,536)	5,515,821	5,691,705	5,415,565	5,516,423	5,619,500	5,724,848	5,832,516	156,618,491
Net Levered Cash Flow		(3,839,450)	(16,388,014)	(0)	9,547,823	890,316	614,177	715,034	818,112	923,459	1,031,128	70,090,680
Cumulative Levered Cash Flow		(3,839,450)	(20,227,464)	(20,227,464)	(10,679,640)	(9,789,324)	(9,175,148)	(8,460,113)	(7,642,001)	(6,718,542)	(5,687,415)	64,403,265

Description	Investment	Operations	Reversion (Sale)	Returns	Sensitivity
Levered IRR	20.34%	Levered EMx: 4.18X		Development Spread (Untrended)	177.7 bps

INVESTMENT DESCRIPTION SF

Name	Westbeth Mixed Use Development County			Manhattan
Address	55 Bethune Street State			NY
City	West Village Zip Code			10014
Analysis Begin Date	Jan-2023	Sale Date	Month 120	Dec-2032
Land Area	34,848 SF	0.8 acres	Buildings	1.0
Units/Acre		212.5	Avg. # of Stories	26.0
FAR (Resi + Comm Only)		5.43	Units	170 units
Gross Buildable (GBA - SF)	281,154	Net Rentable Resi (NRA - SF)	55.0% of GBA	154,526
Total Parking Spaces		0	Commercial Spaces	34,743
Parking Ratio	0.00/unit	Parking Spaces		0

INVESTMENT PERIOD CASH FLOWS

SOURCES AND USES				154,526 NRA	170 Units		
USES	START	END	METHOD	/RENTABLE SF	/UNIT	AMOUNT	
Land Costs Add Item Del. Item							
Land Costs	Month 0	Month 0	Straight-Line	-	-	-	
Ground Lease Legal	Month 0	Month 0	Straight-Line	3.24	2,941	\$500,000	
Demolition	Month 0	Month 0	Straight-Line	11	9,644	\$1,639,450	
Total Land Costs	Month 0	Month 0		13.85	12,585	2,139,450	
Hard Costs Add Item Del. Item							
Residential	Month 1	Month 18	S-Curve	425.00	386,315	\$65,673,628	
Residential (Non Units)	Month 1	Month 18	S-Curve	26.41	24,002	\$4,080,288	
Commercial	Month 1	Month 18	S-Curve	10.54	9,577	\$1,628,085	
Community Facility	Month 1	Month 18	S-Curve	23.19	21,079	\$3,583,417	
Cellar	Month 1	Month 18	S-Curve	7.52	6,838	\$1,162,500	
Highline Reconversion	Month 1	Month 18	S-Curve	8.44	7,669	\$1,303,724	
Non-Highline Public Facility/Parks	Month 1	Month 18	S-Curve	17.40	15,818	\$2,689,029	
Contingency	Month 1	Month 18	Straight-Line	26	23,565	\$4,006,034	
Total Hard Costs	Month 1	Month 18		544.42	494,863	84,126,705	
Soft Costs Add Item Del. Item							
Transaction Legal	Month 1	Month 18	Straight-Line	3.24	2,941	500,000	
Architectural & Engineering	Month 1	Month 18	Straight-Line	-	-	-	
Subcontractor Fees	Month 1	Month 18	Straight-Line	38.89	35,347	6,009,050	
Development Fee	0.33	Month 1	Month 18	Straight-Line	12.96	11,782	2,003,017
HUD Mortgage Ins	0.09	Month 1	Month 18	Straight-Line	3.56	3,235	550,000
Permits and Exped	0.02	Month 0	Month 0	Straight-Line	0.65	588	100,000
Third Party Report	0.02	Month 0	Month 0	Straight-Line	0.97	882	150,000
Title Insurance	0.9%	Month 0	Month 0	Straight-Line	5	4,706	800,000
Total Soft Costs	Month 0	Month 18		65.44	59,483	10,112,067	
Total Project Cost before Financing				623.70	566,931	96,378,222	
Carry Costs	<u>% of Lease-Up Income to Use to Pay Interest</u>						
Capitalized Construction Interest			100.0%	18.97	17,243	2,931,323	
Financing Fees	Month 0	Month 0	Straight-Line	4.21	3,824	650,000	
Operating Shortfall				7.62	6,929	1,177,980	
Total Carry Costs				30.80	27,996	4,759,302	

Total Uses	Month 0	Month 18	654.50	594,927	101,137,525		
SOURCES	LTC	FUNDING ORDER	ANNUAL RATE	% OF SOURCES	/RENTABLE SF	/UNIT	AMOUNT
Equity		1	See Waterfall	20.0%	130.90	118,985	20,227,464
Construction Debt	80.0%	2	3.32%	80.0%	523.60	475,942	80,910,061
Total Sources		Fixed	Variable	100.0%	654.50	594,927	101,137,525
CASH FLOW OF SOURCES				% OF SOURCES	/RENTABLE SF	/UNIT	AMOUNT
Total Equity				20.0%	130.90	118,985	20,227,464
Construction Debt							
Construction Debt before Reserves				75.9%	497.01	451,769	76,800,758
Interest Reserve				2.9%	18.97	17,243	2,931,323
Operating Shortfall Reserve			PAYOFF MONTH	1.2%	7.62	6,929	1,177,980
Total Construction Debt			Month 28	80.0%	523.60	475,942	80,910,061
Total Sources				100.0%	654.50	594,927	101,137,525
PERMANENT DEBT - ACTIVE						No Perm. Debt	Perm. Debt
	% of Stab. Value	% OF COST	ANNUAL RATE	INTEREST-ONLY?	AMORT.	PAYMENT	AMOUNT
Permanent Debt	64.3%	88.0%	4.50%	No	40 Years	4,801,389	89,001,067
Loan Funding	Month 28			Debt Service Coverage Ratio (Month 29)		1.43X	
Loan Payoff	Month 120						(81,726,422)

OPERATING PERIOD CASH FLOWS

INCOME				Basic Lease Up Method			
Operation Begin Month	Month 19			Basic	Detailed		
Annual Income Growth Rate	2.0%	Begin Month 19		% Pre-Leased		0%	
1st Stabilized Month	Month 28			Lease-up Pace (Units/Mo)		20.0 units	
				Lease Contract Length		14 Months	
RENTAL INCOME	Add Unit Type	Del. Unit Type		154,526 NRA	55.0% EFF.	281,154 GBA	
UNIT TYPE	UNITS	AVG. SF	INITIAL FREE RENT	STAB. FREE RENT	RENT/SF/YR	RENT/UNIT/MO	TOTAL RENT/YR
Studio	14	500	1.0 Months	0.0 Months	85.88 \$	3,577	600,991
1 Bedroom	44	675	1.0 Months	0.0 Months	83.29 \$	4,685	2,473,846
2 Bedroom	87	1,000	2.0 Months	0.0 Months	79.63 \$	6,636	6,927,984
3 Bedroom	21	1,142	2.0 Months	0.0 Months	75.98 \$	7,229	1,821,662
4 Bedroom	4	1,713	2.0 Months	0.0 Months	72.94 \$	10,412	499,766
Total	170	909	1.7 Months	0.0 Months	79.76	6,041	12,324,249
- Concessions (Free Rent)					-	-	-
- Gain/Loss-to-Lease					-	-	-
- Non-Revenue (Model) Units		1 unit(s)	(6,041)/Mo		(0.04)	(36)	(72,496)
TOTAL RENTAL INCOME					79.72	6,006	12,251,754
OTHER INCOME	Add Item	Del. Item	% FIXED	% OF TOTAL RENT	/SF/MO	UNIT/MO	AMOUNT/YR
Misc. Other Income (Storage, Amenity Fee)			0%	0.41%	0.03	25	50,000
None			0%	0.00%	-	-	-
None			0%	0.00%	-	-	-
TOTAL OTHER INCOME				0.41%	0.03	25	50,000
	No Retail	Incl. Retail					
RETAIL INCOME (Net of Expenses)				47.29 /SF/YR	0.89	805	1,643,096
TOTAL POTENTIAL INCOME					80.63	6,836	13,944,850
- General Vacancy and Credit Loss (Excluding Retail Income)				7.00%	(0.46)	(422)	(861,123)
EFFECTIVE GROSS REVENUE					80.16	6,414	13,083,727

PARTNERSHIP-LEVEL CASH FLOWS

Sgl. Promote	Dbl. Promote			Include Dev. Fee? No		
RETURNS SUMMARY		<u>Contributions</u>	<u>Net Profit</u>	<u>ROI</u>	<u>EMx</u>	<u>IRR</u>
Syndicated Limited Partners		18,204,717	43,765,695	240.4%	3.40X	17.74%
Harebell Development		2,022,746	20,637,571	1020.3%	11.20X	32.92%

WATERFALL (GP AND LP)

GP-LP CONTRIBUTIONS		<u>Share</u>	<u>Amount</u>
GP	Harebell Development	10%	2,022,746
LP	Syndicated Limited Partners	90%	18,204,717
Total		100%	20,227,464

DISTRIBUTION WATERFALL		<u>IRR Hurdle</u>	<u>GP Promote</u>	<u>Dist. % to GP</u>	<u>Dist. % to LP</u>
Pref. Return		up to 8.0%	0%	10.0%	90%
2nd Tier		up to 12.0%	15%	24%	77%
3rd Tier		up to 15.0%	30%	37%	63%
4th Tier		above 15.0%	40%	46%	54%

GP-LP DISTRIBUTIONS		<u>Share</u>	<u>Amount</u>
GP	Harebell Development	27%	22,660,317
LP	Syndicated Limited Partners	73%	61,970,412
Total		100%	84,630,729

GP-LP NET CASH FLOW		<u>EMx</u>	<u>IRR</u>	<u>Share</u>	<u>Amount</u>
GP	Harebell Development	11.20X	32.92%	32%	20,637,571
LP	Syndicated Limited Partners	3.40X	17.74%	68%	43,765,695
Total		4.18X	20.34%	100%	64,403,265

SENSITIVITY ANALYSIS UPDATE SENSITIVITY TABLES

	SENSITIVITY #1			SENSITIVITY #2			
	<u>Vacancy</u>	<u>Dev. Spread</u>	<u>Levered EMx</u>	<u>Exit Cap Rate</u>	<u>Dev. Spread</u>	<u>Levered EMx</u>	
Base Case	7.00%	230.6 bps	4.18X	Base Case	4.50%	230.6 bps	4.18X
Downside #1	6.00%	246.8 bps	4.42X	Downside #1	5.00%	180.6 bps	3.44X
Downside #2	7.00%	230.6 bps	4.18X	Downside #2	5.25%	155.6 bps	3.12X
Downside #3	8.00%	214.4 bps	3.95X	Downside #3	5.50%	130.6 bps	2.83X
Downside #4	9.00%	198.2 bps	3.71X	Downside #4	5.75%	105.6 bps	2.56X
Downside #5	10.00%	182.0 bps	3.48X	Downside #5	6.00%	80.6 bps	2.32X
	SENSITIVITY #3			SENSITIVITY #4			
	<u>Inc. Growth</u>	<u>Dev. Spread</u>	<u>Levered EMx</u>	<u>Exp. Growth</u>	<u>Dev. Spread</u>	<u>Levered EMx</u>	
Base Case	2.00%	230.6 bps	4.18X	Base Case	2.00%	230.6 bps	4.18X
Downside #1	2.50%	282.2 bps	4.83X	Downside #1	2.50%	197.4 bps	3.76X
Downside #2	2.00%	230.6 bps	4.18X	Downside #2	2.00%	230.6 bps	4.18X
Downside #3	1.50%	180.8 bps	3.55X	Downside #3	1.50%	262.6 bps	4.60X
Downside #4	1.00%	132.7 bps	2.94X	Downside #4	1.00%	293.5 bps	5.00X
Downside #5	0.50%	86.2 bps	2.34X	Downside #5	0.50%	323.2 bps	5.38X

WESTBETH MIXED USE DEVELOPMENT

Return to Underwriting	Retail Income	Retail Expenses	Retail Reserves
Levered IRR 20.34%	Levered EMx: 4.18X	Retail Income /SF, Net of Reserves 39.10	

RETAIL INCOME (NET OF EXPENSES)

RETAIL INCOME									
RETAIL BASE RENTAL INCOME		Add Retail Tenant	Del. Retail Tenant					4 Suites	
<u>SUITE</u>	<u>TENANT</u>	<u>LEASE START</u>	<u>SF</u>	<u>RENT START</u>	<u>ANNUAL BUMPS</u>	<u>RENT/SF/YR</u>	<u>ANNUAL RENT (YR 1)</u>		
E-100	Retail (Existing)	Month 19	4,743	Month 19	3.00%	125.00	592,883		
E-200	Commercial (Existing)	Month 25	4,743	Month 19	2.50%	75.00	355,730		
D-100	Retail (Developed)	Month 19	1,368	Month 22	0.00%	100.00	136,778		
D-B/1/2	Community Facility (Developed)	Month 19	23,889	Month 22	0.00%	30.00	716,683		
			34,743	Month 19	1.48%	51.87	1,802,073		

RECOVERY INCOME		<u>RECOVERY START</u>	<u>RECOVERY %</u>	<u>PRO RATA SHARE</u>	<u>REC./SF/YR</u>	<u>AMOUNT/YR</u>	
Retail (Existing)		Month 19	100%	13.7%	13.50	64,031	
Commercial (Existing)		Month 25	100%	13.7%	13.50	64,031	
Retail (Developed)		Month 19	100%	3.9%	13.50	18,465	
Community Facility (Developed)		Month 19	100%	68.8%	13.50	322,508	
RECOVERY INCOME		Month 19			13.50	469,035	
POTENTIAL RETAIL INCOME						2,271,109	
- Retail Vacancy and Credit Loss				7.00%	/SF/YR	(158,978)	
EFFECTIVE GROSS REVENUE						60.79	2,112,131

RETAIL EXPENSES		<u>% FIXED</u>	<u>Expense Growth</u>	<u>UNIT/YR</u>	<u>/SF/YR</u>	<u>AMOUNT/YR</u>
RETAIL OPERATING EXPENSES						
Common Area Maintenance		0%	2.00%	613	3.00	104,230
Management Fee		0%	2.00%	409	2.00	69,487
Insurance		0%	2.00%	307	1.50	52,115
Property Taxes		0%	2.00%	1,431	7.00	243,203
TOTAL OPERATING EXPENSES					13.50	469,035
RETAIL INCOME (Net of Expenses)					47.29	1,643,096

RETAIL LEASING COST RESERVE		<u>New Lease</u>	<u>Renewal Lease</u>	<u>New Lease</u>	<u>Renewal Lease</u>
ASSUMPTIONS				CALCULATION	
Renewal Probability		30.0%	70.0%	Tenant Improvements	1,042,300
Average Retail Market Rent		52.00	51.87 /SF	Leasing Commissions	325,198
Tenant Improvements		100.00	20.00 /SF	Total Leasing Costs	1,367,498
Leasing Commissions		6.0%	4.0%	Leasing Cost/Yr	136,750
Lease Term		10 Years	5 Years		
Retail Leasing Cost Reserves				8.19	284,489

DEVELOPMENT BUDGET	Inputs	Notes	Total	\$/SF	\$/Unit
Acquisition Cost					
Land	\$0	Ground Lease	\$0	\$ -	\$0
Demolition	\$50	/gsf	32,789	\$1,639,450	\$ 5.83
Ground Lease Legal	\$500,000		\$500,000	\$ 1.78	\$2,941
Total: Acquisition Costs			\$2,139,450	\$ 7.61	\$12,585
Construction Cost					
Residential	\$425.00	/gsf	154,526 SF	\$65,673,628	\$ 233.59
Residential (Non Units)	\$100.00	/gsf	40,803 SF	\$4,080,288	\$ 14.51
Commercial	\$150.00	/gsf	10,854 SF	\$1,628,085	\$ 5.79
Community Facility	\$150.00	/gsf	23,889 SF	\$3,583,417	\$ 12.75
Cellar	\$75.00	/gsf	15,500 SF	\$1,162,500	\$ 4.13
Highline Reconversion	\$150.00	/gsf	8,691 SF	\$1,303,724	\$ 4.64
Non-Highline Public Facility/Parks	\$100.00	/gsf	26,890 SF	\$2,689,029	\$ 9.56
Subtotal: Construction Cost			281,154 SF	\$80,120,671	\$ 284.97
Contingency	5%			\$4,006,034	\$ 14.25
Total: Hard Cost			494,863	\$84,126,705	\$ 299.22
Soft Cost					
Transaction Legal	500,000			500,000	\$ 1.78
Architectural & Engineering		/gsf	281,154.19	-	\$ -
Subcontractor Fees	7.50%	% Hard Costs	\$80,120,671	6,009,050	\$ 21.37
Development Fee	2.50%	% Hard Costs	\$80,120,671	2,003,017	\$ 7.12
HUD Mortgage Insurance Premium	550,000	.65% Of Loan Bal	80,910,061	550,000	\$ 1.96
Permits and Expediting	100,000			100,000	\$ 0.36
Third Party Reports	150,000			150,000	\$ 0.53
Title Insurance	0.90%	% Total Loan Balance		\$800,000	\$ 2.85
Subtotal: Soft Costs				\$10,112,067	\$ 35.97
Total Development Cost:				\$96,378,222	\$ 342.79

Market Financials Summary

Properties	11
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Income and Expenses

12-month period ending October 2020

Income

Metrics	Value / Unit	Year Change (%)
Income Assumptions		
Occupancy (%)	89.20%	-6.9%
Rental Income / Occupied Unit	\$59,134.36	1.6%
Occupied Unit	\$104.62	-15.7%
Other Income / Occupied Unit	\$942.96	88.4%
Total Income / Occupied Unit	\$60,181.93	2.2%
Operating Income		
Rental Income	\$51,789.32	-4.8%
Recoverable Expenses	\$91.61	-21.1%
Other Income	\$825.70	76.4%
Total Income	\$52,706.63	-4.2%

Operating Expenses						170 Units
Metrics	Market Value / Unit	Year Change (%)	Adjustments	Total	\$/SF	\$/Unit
Payroll	\$4,572.16	-1.9%		\$777,267.20	\$2.76	\$4,572.16
Repairs & Maintenance	\$687.52	8.2%		\$116,878.40	\$0.42	\$687.52
Leasing	\$380.96			\$64,763.20	\$0.23	\$380.96
General	\$3,503.68	-3.6%		\$595,625.60	\$2.12	\$3,503.68
Marketing & Advertising	\$404.41	83.8%		\$68,749.70	\$0.24	\$404.41
Repairs & Maintenance	\$2,390.84	-11.8%		\$406,442.80	\$1.45	\$2,390.84
Cleaning	\$143.98	268.9%		\$24,476.60	\$0.09	\$143.98
Roads & Grounds	\$44.95	-20.9%		\$7,641.50	\$0.03	\$44.95
General	\$2,201.92	-15.7%		\$374,326.40	\$1.33	\$2,201.92
Administrative	\$1,139.59	-1.7%		\$193,730.30	\$0.69	\$1,139.59
Security	\$46.40	28.4%		\$7,888.00	\$0.03	\$46.40
General	\$1,093.19	-2.5%		\$185,842.30	\$0.66	\$1,093.19
Management Fees	\$1,533.73	-7.3%		\$260,734.10	\$0.93	\$1,533.73
Utilities	\$1,385.96	-16.1%		\$235,613.20	\$0.84	\$1,385.96
Electric	\$330.86	-6.6%		\$56,246.20	\$0.20	\$330.86
Gas	\$469.93	-20.2%		\$79,888.10	\$0.28	\$469.93
Water/Sewer	\$585.17	-17.2%		\$99,478.90	\$0.35	\$585.17
Real Estate & Other Taxes	\$17,609.42	-0.5%	\$(53,780.57)	\$2,939,820.83	\$10.46	\$17,293.06
Insurance	\$607.00	55.9%		\$103,190.00	\$0.37	\$607.00
Other Operating Expenses	\$14.46			\$2,458.20	\$0.01	\$14.46
Total Operating Expense	\$29,657.58	-1.6%		\$5,041,788.60	\$17.93	\$29,657.58

Westbeth Mixed Use Development

Unit Mix & Area Calcs

Westbeth Mixed Use Development

Unit Mix & Area Calcs Continued

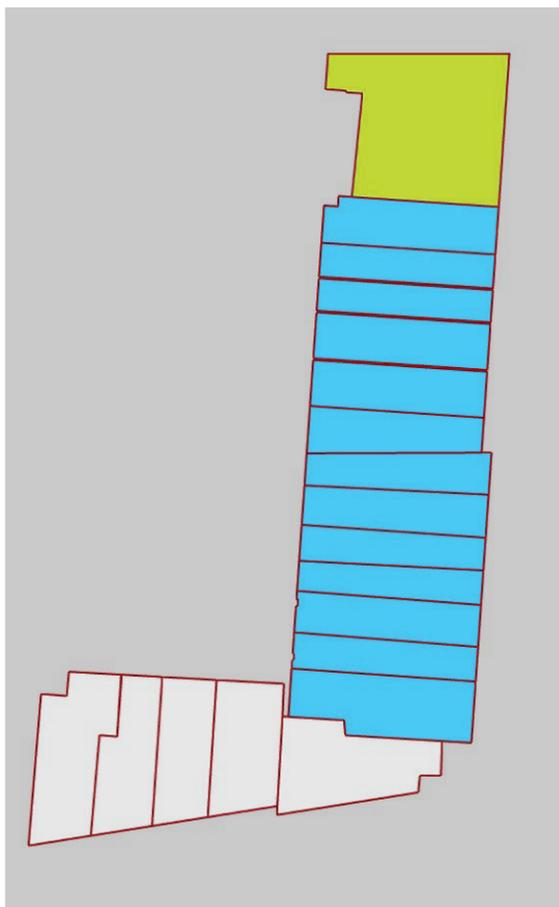
AVERAGE SF PER UNIT		
STUDIO	499.87	14
1 BR	675.00	44
2 BR	1,000.00	87
3 BR	1,141.72	21
4 BR	1,712.96	4

908.9776

Studio Spaces (Highline)		SF
1		2,320.80
2		827.50
3		600.39
4		572.64
5		814.60
6		814.70
7		727.50
8		692.87
9		770.63
10		642.45
11		604.34
12		778.83
13		660.76
14		1,078.28
15		1,135.53
16		896.41
17		793.32
18		820.58
19		1,097.22
Total:		16,649.35

2 levels 33298.7

Retail (Existing) 4,743 SF
 Commercial (Existing) 4,743 SF
 Retail (Developed) 1,368 SF
 Community Facility (De 23,889 SF



LEVEL	SF	RES SF	NON RES SF	COMMERCIAL	CF SF	
B	15,515.86	0.00	6150.41	0	9365.45	GYM/ BIKE STORAGE+NEW SCHOOL
1	10876.3	0.00	4349.98	1367.78	5158.54	NEW SCHOOL+LOBBY/WORK LOUNGE
2	15,515.86	0.00	6150.41	0	9365.45	KIDS ROOM/NEW SCHOOL
3	15,515.86	11867.25	3648.61	0		
4	15,515.86	11867.25	3648.61	0	0	
5	7,320.61	6595.20	725.41	0	0	
6	7,320.61	6595.20	725.41	0	0	
7	7,320.61	6595.20	725.41	0	0	
8	7,320.61	6595.20	725.41	0	0	
9	7,320.61	6595.20	725.41	0	0	
10	7,320.61	6595.20	725.41	0	0	
11	7,320.61	6595.20	725.41	0	0	
12	7,320.61	6595.20	725.41	0	0	
13	7,320.61	6595.20	725.41	0	0	
14	7,320.61	6595.20	725.41	0	0	
15	7,320.61	6595.20	725.41	0	0	
16	7,320.61	6595.20	725.41	0	0	
17	7,320.61	6595.20	725.41	0	0	
18	7,320.61	6595.20	725.41	0	0	
19	7,320.61	6595.20	725.41	0	0	
20	7,320.61	6595.20	725.41	0	0	
21	5,043.00	4,168.28	874.72	0	0	
22	5,043.00	4,168.28	874.72	0	0	
23	5,043.00	4,168.28	874.72	0	0	
24	5,043.00	4,168.28	874.72	0	0	
25	5,043.00	4,168.28	874.72	0	0	
26	5,043.00	4,168.28	874.72	0	0	
TOTAL:	220,327.50	154,267.39	40,802.88	1,367.78	23,889.45	
		TOTAL RES:	195,070.27			

34,666.48



DECEMBER 8TH, 2020