

GROUP ONE

11.29.2017

Brandywine St

Haverford

Request For Proposal Mixed-Use Development



table of contents

4	Project Summary
8	Market Analysis
12	Demographics
16	Plan Overview
24	Development Strategy
28	Sustainability Elements
34	Finance Structure
40	Investment Model
44	Marketing and Leasing
48	Future Goal



Mount Zion United Holy Church

4110 Haverford Avenue - Philadelphia, PA 19104



Order of Services	
Sunday School	10:00AM
Worship Worship	11:00AM
Wednesday Mid-day Prayer	12:00NOON
Wednesday Evening Prayer and Bible Study	7:30AM

Rev. Stephen R. Aquila Pastor

Together We Can Do It!

Elder Marlene Finkbe - Pastor

4110

4110





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Hallelujah, By God's Power
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Project Summary

project summary

Project Profile

Type: Mixed-Use Project

Site Location: 4108-12 Haverford Avenue, West Philadelphia, PA

Parcel Area: 6,000 SF +/-

Project Summary

Now more than ever is a great time to invest and develop in West Philadelphia. West Philly is an up and coming area with major opportunities and draws that cater to a large demographic. There, has been sporadic re-development as real estate developers are recognizing the possibilities in the area. Being close to major Educational and Medical institutions like the University of Pennsylvania, Drexel University and Penn Medicine draws a large crowd for potential consumers.

During a search of the West Philadelphia area, the property located at 4108-12 Haverford Avenue has been identified as an opportunity for redevelopment. The property is in the Haverford

North neighborhood bordering Powelton Village, University City and Mantua. The 6,000sq. ft. parcel currently hosts a building in disrepair. The property is listed for sale and underutilized for its potential with the current zoning classification. The location is in need and ready for redevelopment with mixed-use opportunities that will cater to the demographic.

The proposal will give an overview of the opportunity for development, financial impacts and estimates, lender costs and a market analysis to that will support a feasible development plan. This proposal will ensure a positive level of return and a sustainable new development for the community.

WEST PHILADELPHIA





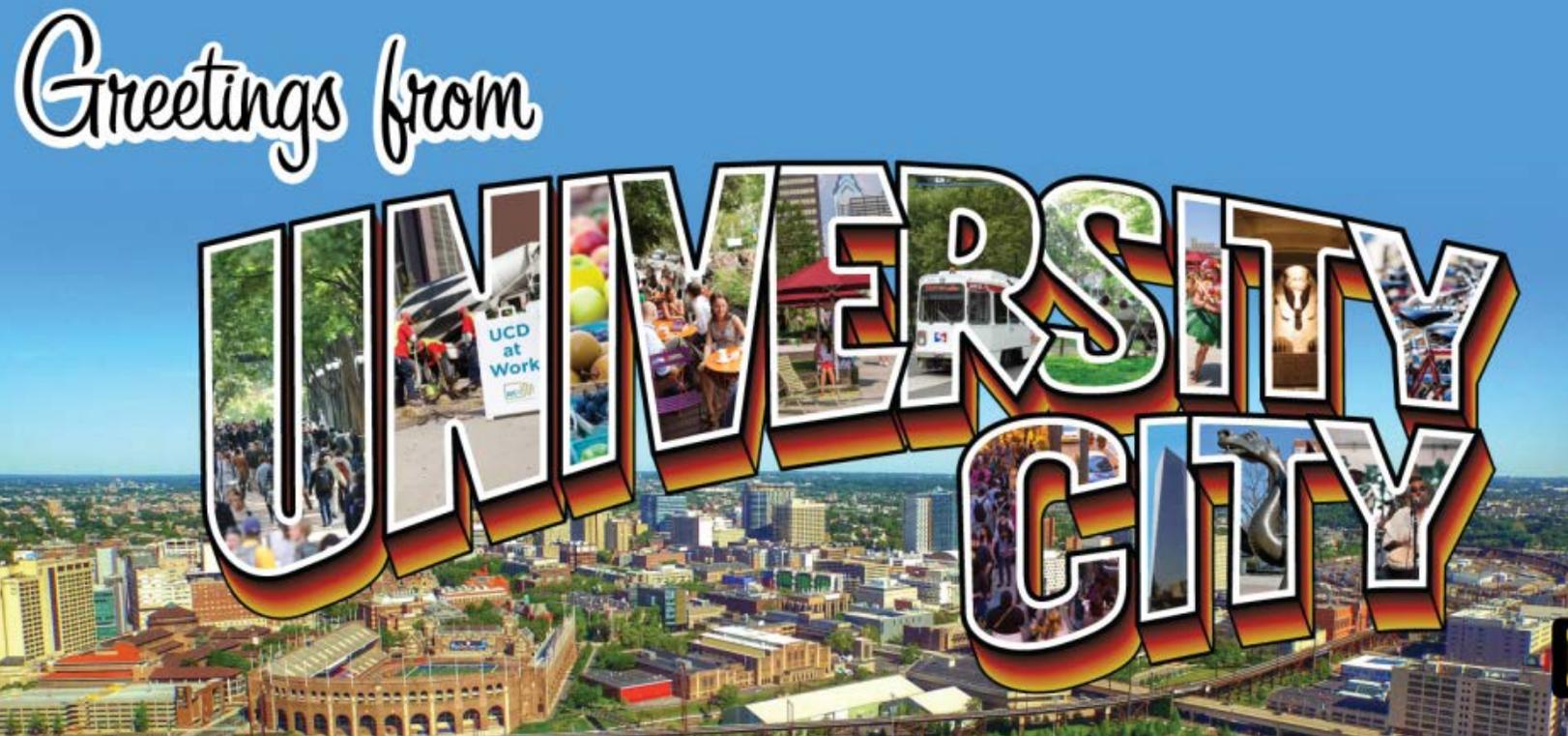


Market Analysis

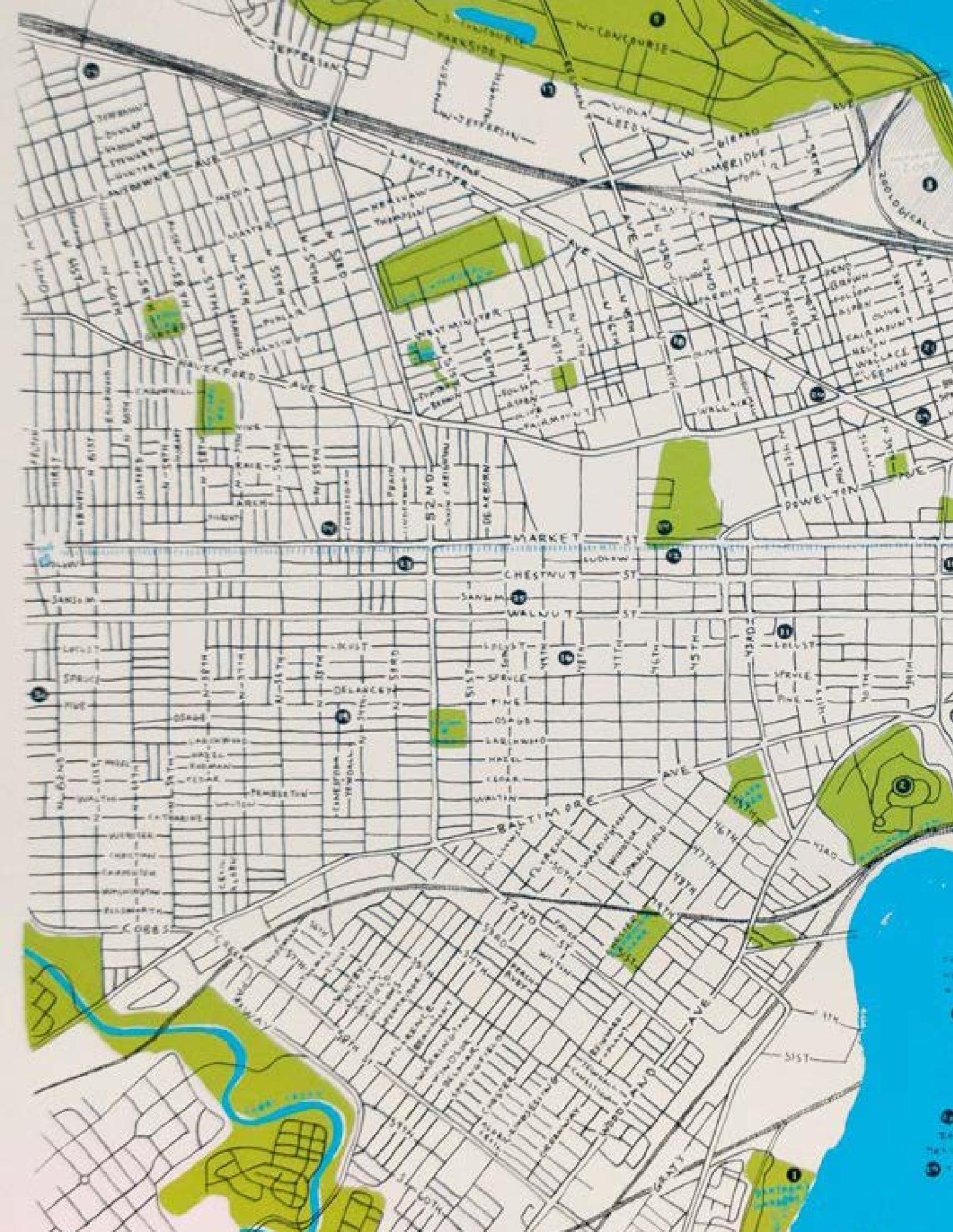
market analysis

The zip code 19104 which contains the neighborhoods Haverford North, Powelton and University City is largely a renter occupied community. The planning district for the proposed development is University City South West. In the area surrounding 4108 Haverford there has been sporadic development, most of which residential units with a small mix of commercial and one large office project 2 blocks away from the property. Many properties in the area are being purchased by investors and developers seeking to either rehab or add value by requesting zoning changes to the existing properties. Largely a residential neighborhood, there is an opportunity for retail.

Being located very close to major “Eds and Meds” offers the opportunity to attract good tenants that have the potential for good lease turnovers for residential and long-term leases for retail. The residential assumption is derived from the typical tenant presumed to be a student at undergraduate or graduate level with the understanding that they will move after graduation.







demographics

Our demographic research focuses on the age description of the area. Of the 51,808 population in zip code 19104, 23,847 are between the ages of 20 and 34 years old. This population is typically referred to as millennials; born 1981-1997. Of this millennial group, largest cohort within the zip code covering 40% of the population is between the ages 20 and 29.

“Philly continues to ride the millennial wave, with a new report deeming it the best place in the country to be a young adult right now.”

Total population	51,808	100.0
Under 5 years	2,036	3.9
5 to 9 years	1,738	3.4
10 to 14 years	1,486	2.9
15 to 19 years	9,186	17.7
20 to 24 years	16,059	31.0
25 to 29 years	5,094	9.8
30 to 34 years	2,694	5.2
35 to 39 years	1,787	3.4
40 to 44 years	1,617	3.1
45 to 49 years	1,783	3.4
50 to 54 years	1,785	3.4
55 to 59 years	1,702	3.3
60 to 64 years	1,324	2.6
65 to 69 years	912	1.8
70 to 74 years	751	1.4
75 to 79 years	705	1.4
80 to 84 years	509	1.0
85 years and over	640	1.2
Median age (years)	22.8	(X)







Plan Overview

plan overview

Our goal is to develop a mixed-use project that will cater not only to our residents but most importantly to the community. Our goal in developing this project is to provide a new fresh face for the neighborhood that will promote health and wellness while allowing for communal recreation. The idea behind a mixed-use development is to offer new opportunities for communities so that residents and those who frequent the area have little need to travel far for their wants and necessities. "In a very elementary sense, mixed-use development is just practical. It places the day-to-day things we need to do in immediate proximity to each other. Less transportation is required for daily life, and thus the massive amount of consumption associated with transportation is minimized."

Unit Breakdown

Floor 1:

On the first floor of the Haverford Street side of our proposed project we plan to include 2 retail opportunities. We will develop the units and have them delivered to host a mix of a healthy food take-out restaurants and small convenience store. The idea for the healthy food alternative relates to our idea to promote a healthy living lifestyle for the community. The convenience store will serve as an option for residents to be able to access their necessities without having to travel far reducing the need for public or private transportation.

Floor 2 and Floor 3:

The second and third floors on the Haverford Street side of the property will be developed for the use of a gym/physical recreation opportunity.

Continuing with our promoting of a healthy community, we felt energized to include this as there are no local/walkable opportunities for physical recreation open to the public. On the corner of the property location there is a field dedicated to Drexel University recreation. This proximity to the proposed development will be an added feature to an already existing private entity that may be utilized by those already involved with the activities at Drexel.

Rear of Property:

On the rear of the project located on the Brandywine street side there will be an inclusion of a residential element to be leased. The residential units will be 2 bedroom 1 bath units. The residential building will be developed with sustainable elements including efficiency systems. There will be common space connecting the residential and retail elements of the project promoting a sense of community. The common space will be a green courtyard with grass and small plants. "Open space in urban environment provides many advantages: formal and informal sport and recreation preservation of natural environments, provisions of green space and even urban storm water management. Thus green space must be a key consideration in urban planning if the health of a city and its people are both considered important."



4108 Haverford Avenue

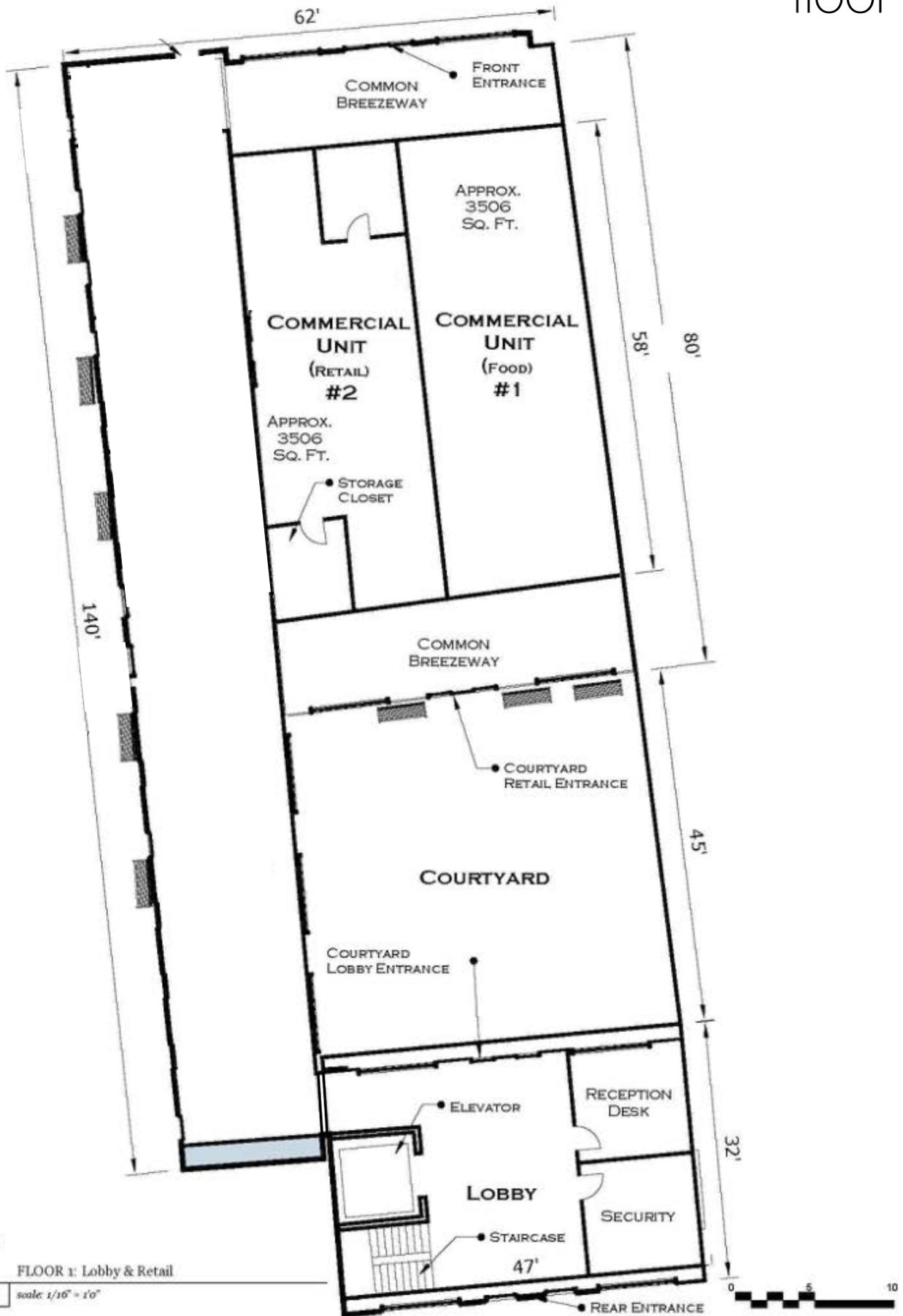
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Vidas Athletic Complex

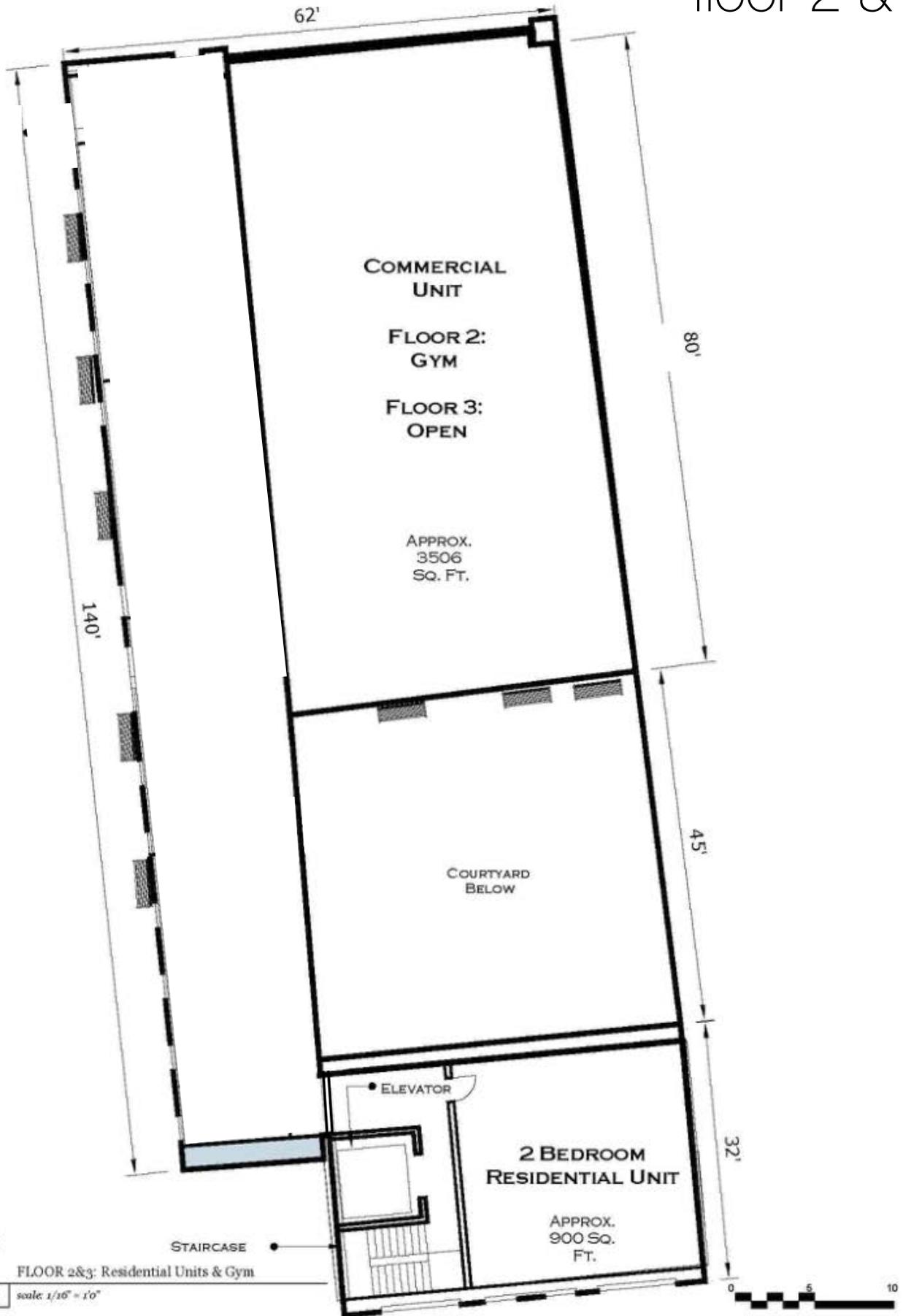
Westpark Apartments

40th St Station - MFL

Fine Wine & Google



floor 2 & 3

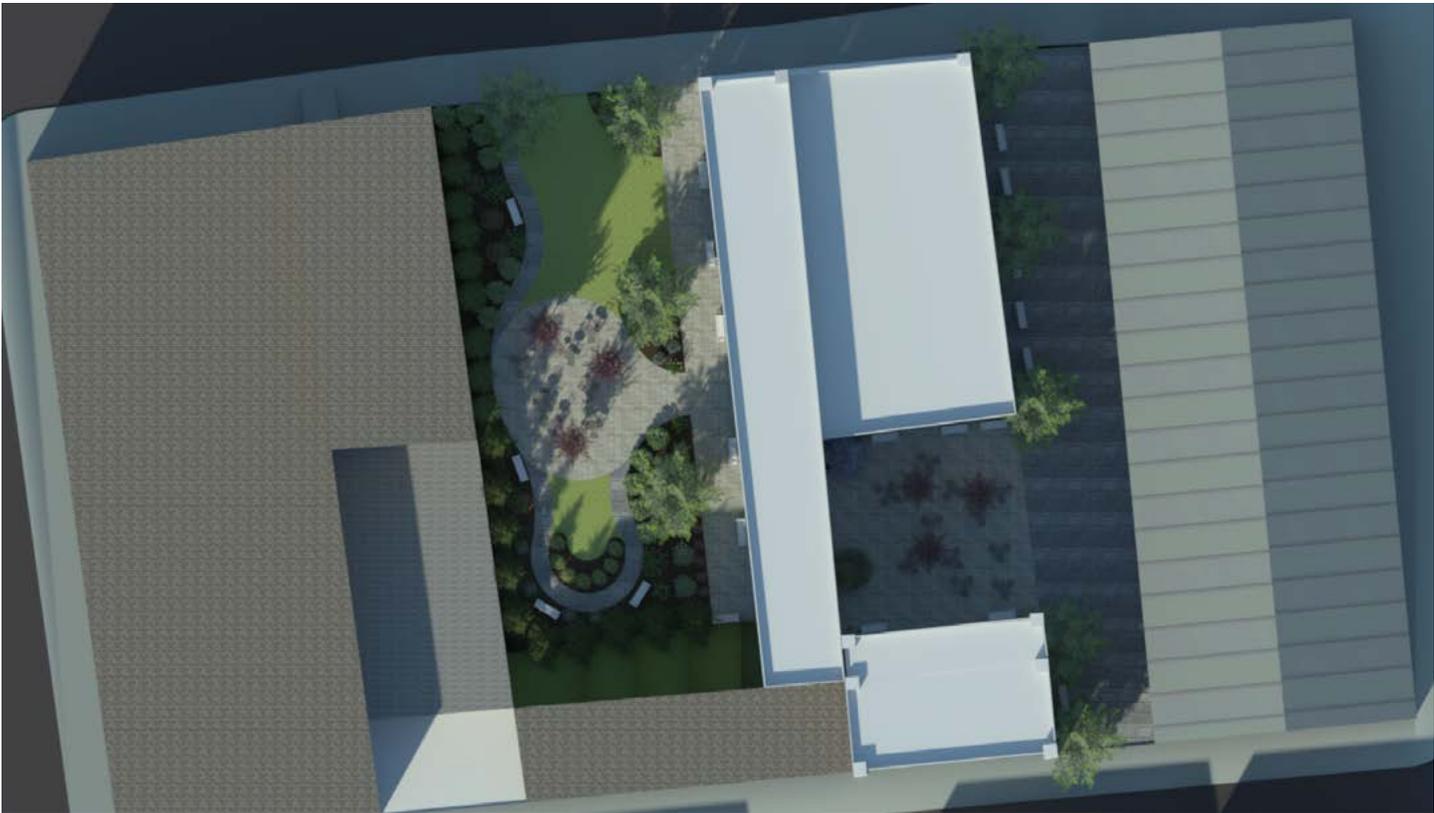


FLOOR 2&3: Residential Units & Gym

RH 02

scale: 1/16" = 1'0"









Development Strategy

development strategy

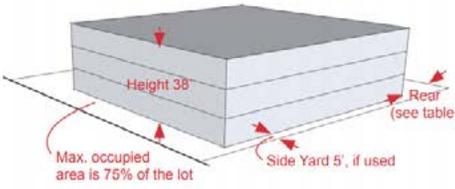
Zoning

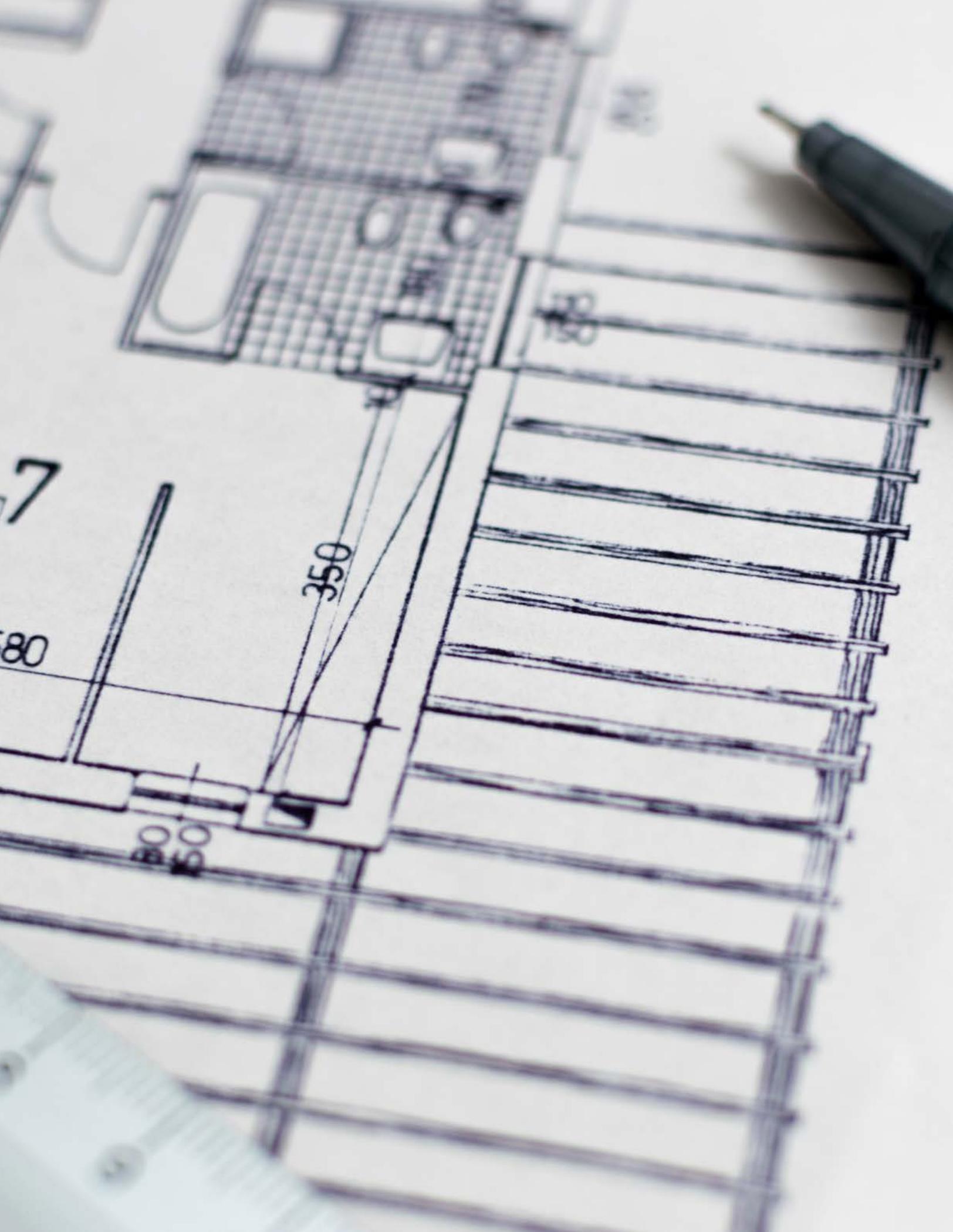
For the zoning we will apply for a variance to obtain a CMX2 classification. CMX2 will allow for us to develop a project to host residential and retail uses. We believe this Zoning classification is the best option for this property and our plan because of the size of the parcel and its proposed physical make up after the project will be completed. By changing the zoning classification, we will increase value by adding multiple opportunity for income streams through the residential and retail elements. This offers new opportunity for the area because of the lack of mixed use and retail elements. Since the area is largely residential, we will have new opportunities for residents and visitors to utilize to new retail opportunities. “One reason for the rise in mixed-use is the fact that zoning regulations — which for many years kept residential and other uses in separate areas of municipalities — have loosened up, and many

local governments now support “the mixing of uses” and recognize their increasing importance to residents, Breclaw said.”

Entitlements

Although under the new zoning change to the property we will be able to develop out plan by right, we still connect with local CDC’s and RCO’s to discuss the project and how it affects them. After we obtain zoning, we will begin to be in touch with the local organizations so that there will be an understanding of the positive impacts the development will have on the neighborhood. This open line of communication should assist in promoting the finished product. This will benefit the development team by gaining word of mouth marketing and interest from potential tenants. For the local organizations they will benefit from our open conversation by having a sense of inclusion on what will be happening in the community in which they live and work.

<p style="text-align: right;">CMX-2*</p> <p>Description: Small scale neighborhood commercial and residential mixed use</p> <p>Uses permitted as of right: Household Living**; Passive Recreation: Family Day Care: Group Day Care: Day Care Center: Educational Facilities: Fraternal Organization: Hospital: Libraries and Cultural Exhibits: Religious Assembly: Safety Services: Utilities and Services, Basic: Building or Tower-Mounted Antenna; Business, Professional Office; Medical, Dental, Health Sole Practitioner; Government Office; Building Supplies and Equipment; Consumer Goods (except Drug Paraphernalia and Guns): Food, Beverages, and Groceries; Pets and Pet Supplies; Sundries, Pharmaceuticals, and Convenience Sales; Wearing Apparel and Accessories: Business Support: Prepared Food Shop: Sit Down Restaurant: Financial Services (except Personal Credit Establishments): Funeral and Mortuary Services: Maintenance and Repair of Consumer Goods: On-Premise Dry Cleaning: Personal Services (except Body Art and Fortune Telling Services): Radio, Television, and Recording Services: Commissaries and Catering Services: Vehicle Equipment and Supplies Sales and Rental; Moving and Storage Facilities; Artist Studios and Artisan Industrial: Research and Development: Community Garden: Market or Community-Supported Farm</p> <p>Uses requiring special exception approval: Personal Care Home: Active Recreation: Transit Station: Wireless Freestanding Tower; Medical, Dental, Health Group Practitioner: Animal Services: Assembly and Entertainment (except Amusement Arcade, Casino, and Pool or Billiards Room): Night Clubs and Private Clubs: Take-Out Restaurant: Surface Parking: Structured Parking: Moving and Storage Facilities</p>	<p>*An attached building in CMX-2 must contain a non-residential use along 100% of the ground floor frontage and within the first 30 ft. of building depth.</p>  <p>Height 39 Rear (see table) Side Yard 5', if used Max. occupied area is 75% of the lot</p> <p>** Max. of two dwelling units are permitted for lots less than 1,440 sq. ft. A max. of three dwelling units are permitted for lots that are 1,440 sq. ft. to 1,919 sq. ft. A minimum of 480 sq. ft. of lot is required per dwelling unit for the lot area in excess of 1,919 sq. ft. When number of dwelling units calculates to a fraction, round down.</p>	
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Sustainability Elements

sustainability elements

Goals and Objectives

Over the past few decades, the scope of sustainability and eco-friendliness practices in Real Estate Development has changed drastically; gone are the days when almost everybody like the idea of protecting environment and conserving natural resources. Yet, not many people are ready to spend money on it. However, in recent years, let alone environment, study and scientific research has proven and quantified health and financial benefits of green building features in our daily life. Since then, it has gained a significant a tenant demand and its global market share grew to \$250 million in 2013. Including estimated 20% of all new U.S. commercial real estate projects. Increasingly more people are willing to invest in green building and features. The green concept helps corporate giants to build organizational culture and attracts employees and clients who shares similar values and concerns. The major aspects of sustainability approach to development: its resiliency and marketability strengths provides an edge over other conventional developments. Therefore, considering all above goals and benefits of sustainability. we have included following sustainability strategies specified in LEED V4 credit requirements in our group's proposed project.

Location and Transportation

The chosen site for project is in an infill and dense urban environment in West Philadelphia and provides easy access to SEPTA bus routes, regional rail lines and other alternate modes of transportations. In addition, it has existing utility connection and necessary resources to support our project. Therefore, it has significantly reduced the potential pressure of a prime farmland and open space for development.

in turn smart selection of the site location has minimized the unwanted impact on natural surroundings.

We also intend to provide bicycle storage on site to reduce the vehicle miles travelled per capita and to promote public health by encouraging daily physical activities.

Sustainable Site

Protection of a portion of existing green space on-site to achieve low-impact development; by allowing to infiltrate rainwater into ground and prevention of storm water run-off. Plantation of selected native plants to provide food and attract birds and butterflies on site. And restoration and protection of native vegetation and insects in area.

Since Philly is cooling degree days, Orientation of building so that it maximizes sun exposure during winter and minimizes heat gain in summer.

Water Efficiency

Reduction of indoor and outdoor water usage by installation of EPA labelled highly efficient water fixtures and retaining the existing native green space for minimum water for landscaping purpose. Also, having building level metering devices to track water usage as well to spot the errors during the time of plumbing malfunctions to reduce water wastage as well as to protect building structure from prolong exposure to internal water leakage.

Energy Efficiency

Intend to reduce energy consumption by selecting Energy Star appliances and equipment in building. And particularly by HVAC system, we will be using appropriate shading devices to prevent excessive heat gain in summer months

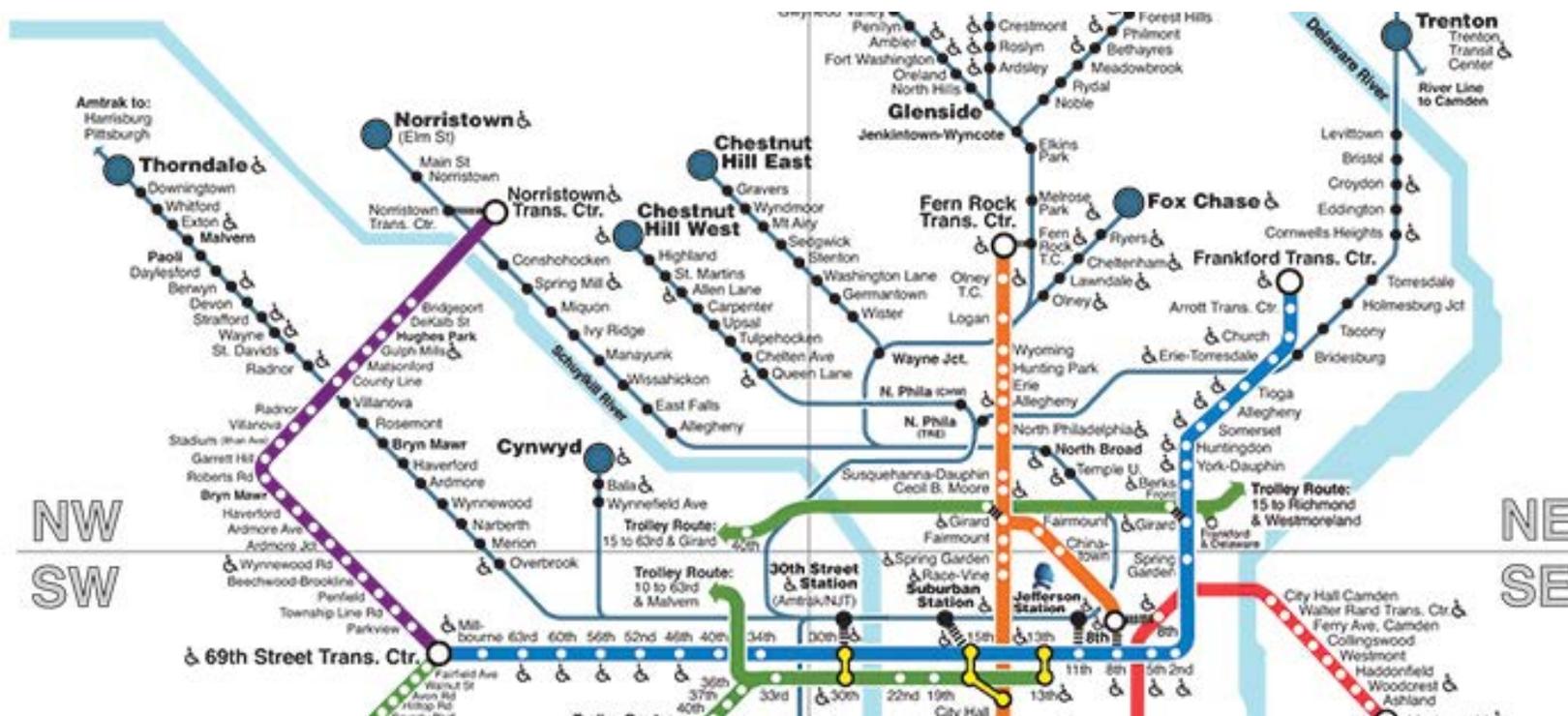
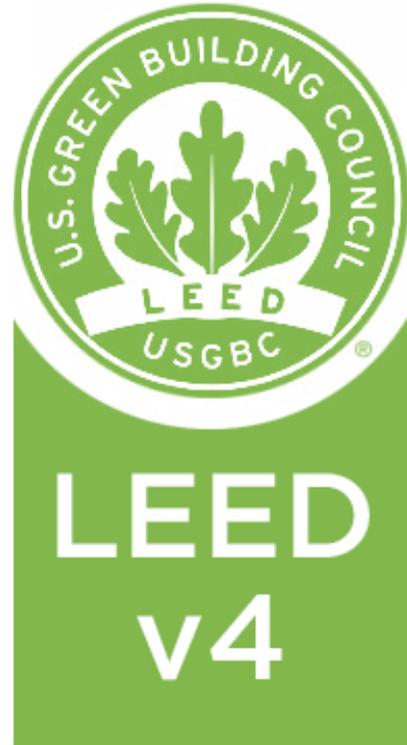
while allowing sunlight into the building during winter months as sun changes its path during different seasons.

Interior Materials and Finishes

To reduce waste materials generated by buildings occupants and its disposal into landfills, we intend to provide facilities and designated areas to store and collect recyclable materials in building and work with local waste handlers to reuse and recycle the efficiently.

Use of standard low VOC and Environmental Product Declaration (EPDs) verified interior materials, finishes and carpeting in building so that it improves indoor environmental quality for occupants and offers a marketability bonus for educated city residents to attract tenants.

Sourcing local materials and labor force to build a close relationship with local community and establish cross-merchandise through their contacts and network in region.



sustainability elements

USGBC LEED Certification

Green Building market is anticipated to be among the fastest growing industries worldwide. the number of LEED-certified projects in the United State rose from 296 certifications in 2006 up to over 65,000 in 2017.



List of Potential LEED rating categories as per our site location and proposed project:

- LT: Sensitive Land Protection: Previously developed urban land parcel/site
- LT: Surrounding Density and Diverse uses: Access to residential and educational facilities
- LT: Access to Quality Transit: workscore 92!
- LT: Bicycle Facilities: Provision of Bike rack and shower room (gym)

SS: Site Assessment: existing site features and relevant passive design strategies

SS: Open Spaces: provided a Green space

EA: Optimise Energy Performance : 92,571 Kwh/yr.s PV Panels

EA: Renewable Energy Production: On-site Solar Energy to offset 15% of energy cost

MR: Storage and Collection of Recyclables

EQ: Low Emitting Materials: Use of zero VOC emitting materials and safe interior paints and coatings

EQ: No-Smoking culture indoor and outdoor, 25 feet away from entrance

Energy and Atmosphere LEED Category(EA): Renewable Energy

(On-site Solar electricity generation)
Site Location: Philadelphia, PA (1,500 Kwh)
Azimuth angle: 180 Degree & due South
Roof area: 6,000 SF (80%)
Wattage: .225 Kw & 17.5 SF

Area available:

$6,000 \times 0.8 = 4,800$ square feet

= 72.6 Kw system of 274 Panels

Therefore, Annual energy generation is 84,953 Kwh/yr. (assume 78% convertible)

Equivalent Energy cost saving is \$ 8,495/yr.



Ability of PV panels to meet Estimated electricity consumption by proposed 3-Storey project with over 18,000 sq ft

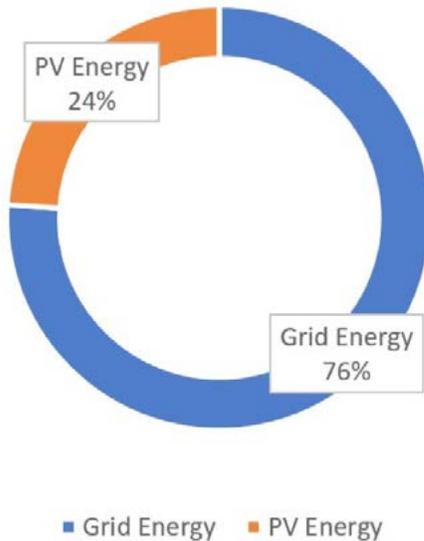
Monthly average utility bill in Philly, \$ 150.6 for a 915 SQ FT Apartment:

That means,

Min. annual Energy cost for proposed project: approx. \$ 35,409/yr.

Therefore, PV electricity generation reduces annual energy cost by 24%

Equivalent energy saving by same percent.



**LEED Category Water Efficiency(WE):
Indoor Water Use Reduction**

(Rainwater Harvesting)

Site Location: Philadelphia, PA

Annual average rainfall 41.1 inch or 3.4 ft (2/3 is collectible)

Cistern Size: 210 cubic feet

Roof area: 6,000 SF (80%)

Area available:

$$6,000 \times 0.8 = 4,800 \text{ square feet}$$

Therefore, Annual rainwater collection

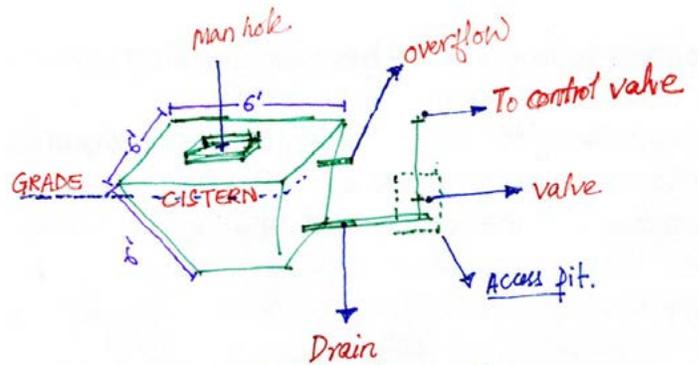
$$= 10,771 \text{ cubic feet}$$

$$= 80,784 \text{ gallons/yr.}$$

Can be used for non-potable water uses

**LEED Category Water Efficiency(WE):
Indoor Water Use Reduction**

Cistern Sizing: To offset estimated 1600 gallons of toilet flush volume for 1 months







Finance Structure

finance structure

Soft Costs

The proposed project as it is now is estimated to be around 17,804 sq.ft. We have projected that our soft costs will be:

Construction Contingency: \$172,698

Architectural Fee: \$89,020

Environmental Assessment: \$3,000

Survey: \$10,000

Construction Insurance: \$25,000

Title: \$20,000

Market Study: \$2,000

Appraisal \$2,000

Total: \$323,718

This will be in addition to our construction costs of \$3,453,976. We have calculated the construction costs at \$194/sq.ft.

Permanent Financing

We plan to develop the property as a private deal. The financing structure will be 25% equity (5% from developer 20% partners) and 75% debt from a lender. We are seeking this common financial structure as our first option to have the deal as conventional as possible. We feel there will be no need for potential mezzanine and gap loan financing since the size for the development is a smaller scale. We will seek lenders who are familiar with structuring a mixed-use development to ensure they will be feasible to work with. For the loan we plan to negotiate ten-year loan with a 30 year amortization schedule.





Investment Model

investment model

This will be a buy and hold development with plans to sell at or about year 10. We plan to hold the building for 7 years depending on market conditions.

We have chosen not to include any federal or state backed financing to lessen the covenants with the eventual sale of the property.

The payments will be dispersed in a typical waterfall payment schedule with the lender receiving priority then the equity investors and potential mezzanine lenders receiving their preferred return.



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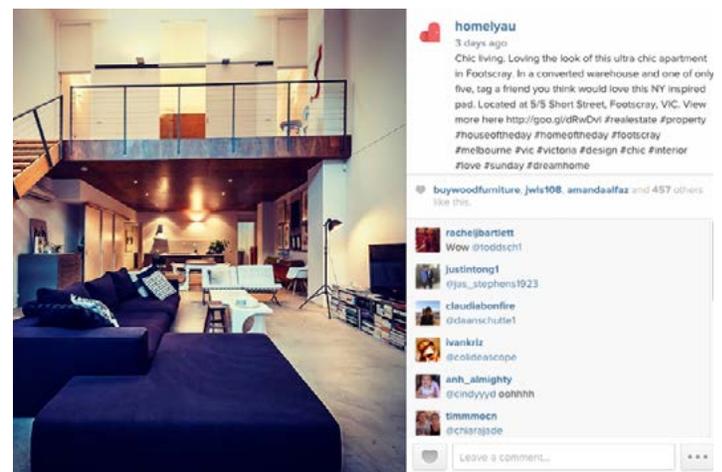
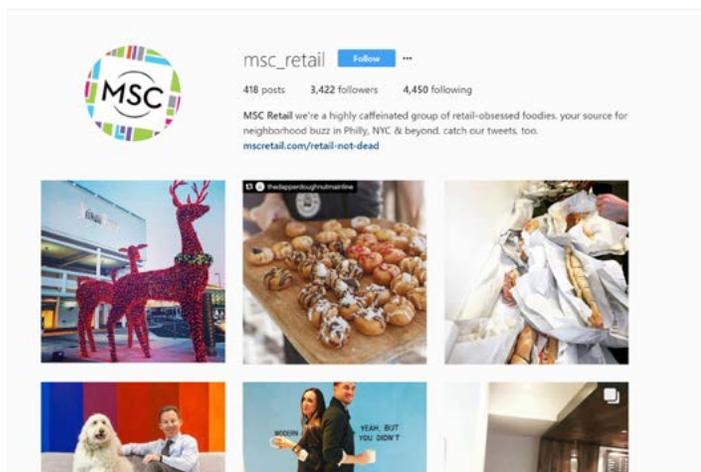
Marketing and Leasing

marketing and leasing

To lease the property, we will seek a local broker who specializes in mixed-use properties. We feel that based on the demographic in the area we will market the residential units to graduate level students and young professionals looking for a home that offers attached amenities.

We plan to include social media marketing in our efforts. This will be to save costs from traditional marketing as well as create a community of interest in the project.

While under construction the marketing efforts will begin. Including the local RCO's will be important.







WE THE YOUTH
CITY KIDS OF PHILA + NYC

WARNING
NO LOITERING
NO VANDALISM

NO LOITERING
NO VANDALISM



Future Goal

future

Philadelphia, one of the most populous cities in Pennsylvania State with an estimated population of 1,567,872 in 2016, has observed a steady increase in housing demand in urban areas and recent development of shortage of affordable housing for new movers in the City and looking to live in area for job opportunities. Particularly, it was predicted that the completion of Comcast Technology Tower project Center City will create 50,000 new jobs, will bring more workers and requires more housing to meet such demand.

On a future note, Philadelphia City is bidding Amazon for its second headquarter and if they selected Philadelphia for the location. It will attract sudden influx of workers in city and will have both good and bad impacts. However, demand for housing in city will increase and simultaneously white-collar occupants prefer a close access to all amenities in area. Therefore, residential properties has bright market share in real estate developments industry.







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