



PARAMOUNT PROPERTY DEVELOPMENT

CONTACT

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URBAN RENEWAL AGENCY

EXECUTIVE DIRECTOR • URA • 203 MAIN AVE • TWIN FALLS, ID

March 14, 2018

Dear Urban Renewal Agency,

This letter is in response to the Request for Proposal issued by the URA for the redevelopment of 160 Main Avenue South in Twin Falls, Idaho. What follows is a brief description of the proposed project, a timeline for key dates of the development process, a back ground of the developer and other key development team members, and finally a financial breakdown of the project. We are excited about the possibility to bring new life to the building.

Sincerely,
Paramount Property Development

Project Narrative:

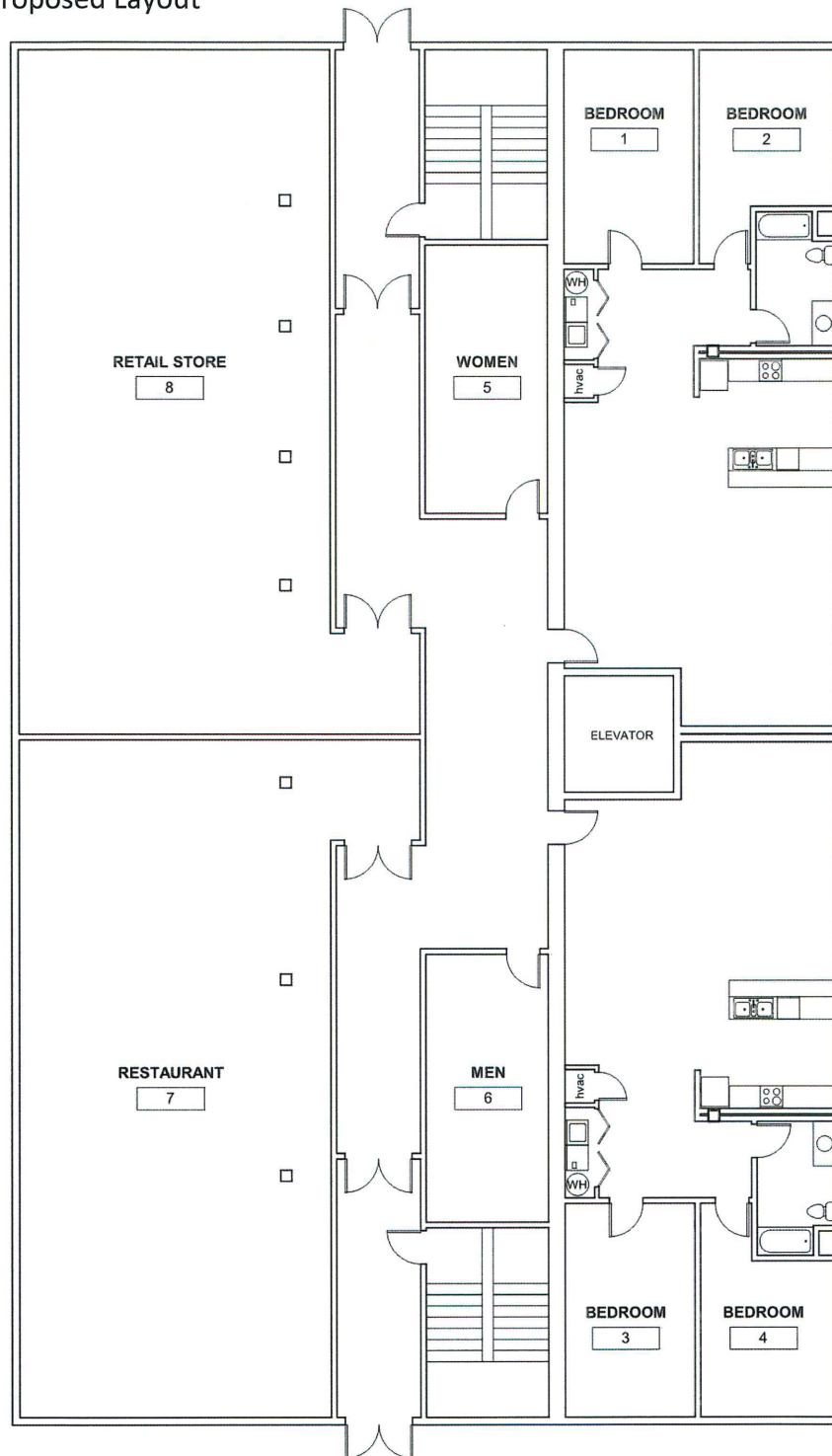
We are proposing an extensive historic renovation of the two structures that have most recently been used as a thrift store. We propose removing all metal cladding and stone that has been added during various renovations over the years to take the exterior as close as possible to its original look as seen in the picture 2-1.



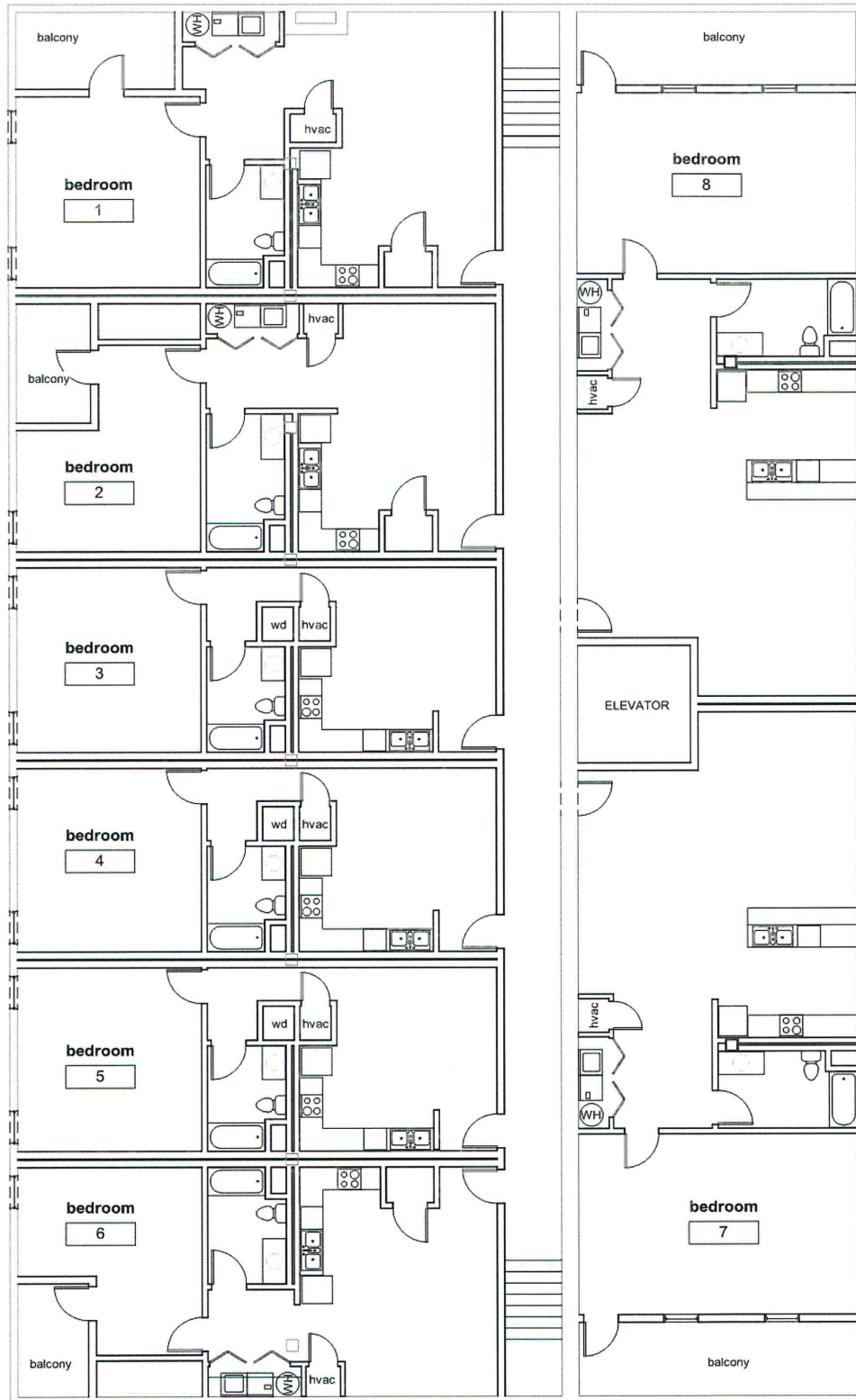
2-1

The interior would be completely gutted and rebuilt as 8 apartments ranging in size from 750 to 1200 square feet. The interior finishes would all be high-end, solid wood cabinets with 3 CM granite and stainless steel appliances, Luxury vinyl plank flooring mixed with some exposed masonry walls would make for a comfortable trendy apartment living. The building would be fully sprinkled and elevator served. The option for basement parking is still being explored, however, at this time it is cost prohibitive to include. The proposed floor plans are shown in figures 3-1 and 3-2.

First Floor Proposed Layout



Proposed Second Floor Layout



Project Timeline:

The rough outline of critical dates for the project are as follows:

These dates are based off a project award date of May 1st 2018

160 Main Ave. S.



Development Team Information:

Kyle Miller

Paramount Property Development, LLC is a privately held real estate development and general contracting company. Founded by Kyle Miller in 2004, the firm is a market leader in ownership, development, and general contracting of premier residential and mixed use projects in St. Louis.

Kyle Miller founded the firm in 2004. With his extensive expertise in all aspects of the development process, from financing and acquisition through construction, he has successfully led the development of over 50 properties throughout the St. Louis area.

Prior to founding the firm, Kyle, earned his mechanical engineering degree from St. Louis University. He worked as a carpenter for several years before going to college. After earning his degree, he worked as a mechanical engineer at Boeing on the F/A 18 project.

Below is a brief list of some of the larger projects completed by Paramount Property Development. Not mentioned in the below list are the roughly 40 smaller projects that were less than \$1M in size each.

- **1808 Chouteau.** 20,000 square foot 3 story historic building. The building had major structural problems. A steel skeleton was added to reinforce the building. \$3M total costs completed with State and Federal Tax credits. 2004
- **4101 Magnolia** 27000 sq ft 3 story building. Complete gut renovation. Converted to 27 condos. Total construction costs \$3,000,000. Made use of State Historic Tax credits. Winner of the 'Most Improved' award from the Landmarks Society. www.magnoliaplace-towergrove.com
- **2200 Locust Street** 35000 sq ft 5 story warehouse building. Complete renovation converted to 29 residential units and 1 commercial suite. Total construction budget \$2,997,000. Completed with State and Federal Historic Tax credits. Winner of the 'Most Improved' award from the Landmarks Society www.lacasianlofts.com
- **4321 Manchester** 24000 sq ft 3 story new construction apartment building. Total construction budget \$2,900,000. Total construction took 10 months. www.4321grove.com
- **3530 Utah** 24000 sq ft former catholic school. Completed a \$3,000,000 historical renovation, converting to 25 market rate apartments. Total construction time was 8 months. www.lamaisonstl.com
- **4400 Block of Vista** Currently underway. Complete redevelopment of an entire dilapidated city block. Demolishing all existing structures and building 52 high end homes. www.viewatnewstead.com

References:

Glenn Lutz, Senior Vice President, First National Bank of Waterloo 618-939-6194
Brian Davies, Regional Managing Director, Great Southern Bank 314-889-8927
Melinda Stewart, Tax Credit Consultant 314-420-3168

Project Financials: Twin Falls Thrift Store

<u>Sources of Funds</u>	Total
Mortgage Loan	\$ 1,500,000
Developer Equity	397,100
Total Sources of Funds	1,897,100

<u>Uses of Funds</u>	
Property Acquisition	\$ 100.00
Construction costs	1,687,500
Architect fees - design	50,000
Architect fees - supervision	5,000
Engineering, soils, survey, environmental study	5,000
Builders risk insurance	7,500
Construction period interest	22,000
Loan Fees	4,500
Other loan costs (legal, appraisal, etc.)	2,500
Title & recording fees	1,500
Disbursing fees	2,500
Legal fees	4,000
Marketing (website)	5,000
Development fee	
Contingency	100,000
Total Uses of Funds	1,897,100

Based off the overall project costs and returns, the offer for the real estate is \$100.00

GROSS POTENTIAL RENTS

Residential							Gross Rent	
Number of Units	Number of Bedrooms	Ave Sq Ft Per Unit	Ave Rent Per Sq Ft	Mo Rent Per Unit	Potential Per Month	Total Square Feet		
8	1	750	\$ 1.15	\$ 863	\$ 6,900			
2	2	1200	\$ 1.00	\$ 1,200	\$ 2,400			
10				\$ 2,063	\$ 9,300			
						x 12		
				Annual Gross Potential Residential Rer		\$ 111,600		
				Total Gross Potential Income		\$ 111,600		
Commercial								
		Sq Ft commercial Space				4500		
		Annual rent per square foot				14		
		Gross Commercial rents				\$ 63,000		
				Total Gross Potential Income		\$ 174,600		

OPERATING EXPENSE SUMMARY

	PUPM	PUPA	Annual
Utilities	100	1,200	12,000
Repairs & Maintenance	-	-	-
Insurance	27	328	3,278
Real Estate Taxes	83	1,000	10,000
Administrative	10	120	1,200
Other	-	-	-
Management Fee	221	2,648	26,478
	116	1,397	13,968
Replacement Reserve	337	4,045	40,446
	25	300	3,000
	362	4,345	43,446

Property Management Fee 8%
Replacement reserves \$ 300.00 PUPA

Total Op Exp. (exc taxes, mgt fee, rr) 16,478
OpExp PUPA (exc taxes, mgt fee, rr) 1,647.84

SUSTAINABLE DEBT CALCULATION

Gross Potential Rents - Residenti.	\$	111,600
Gross Potential Rents - Commmerc	\$	63,000
Utilities Charge		0
Other Income		-
Vacancy	5%	(8,730)
Net Rental Income	\$	165,870
Operating Expenses		26,478
Management Fee		13,968
Replacement reserves		3,000
		43,446
Net Operating Income	\$	122,424
Interest Rate		4.75%
Amortization Period (yrs)		25

Project Debt Service Coverage

Loan Amount	\$1,500,000.00
Monthly NOI	\$ 10,201.97
Monthly payment	\$ 8,551.76
DSC	1.19