

# Old Town Square CAVACHE PROPERTIES



# Development Team

## Cavache Properties

- Real estate development and investment company based in Pompano Beach, Florida.
- The team consists of developers, architects, general contractors, land development contractors, real estate brokers and investment professionals.
- The Cavache Properties management team has been involved in multiple commercial and residential projects since 1969.



# Key Principals

## Adam Adache

- Adam Adache is a managing partner and principal of:
  - Cavache Properties
  - Adache Real Estate
  - Adache Group Architects
  - Cavache Inc.
- Licensed real estate broker and general contractor



# Key Principals

## Anthony Cavo

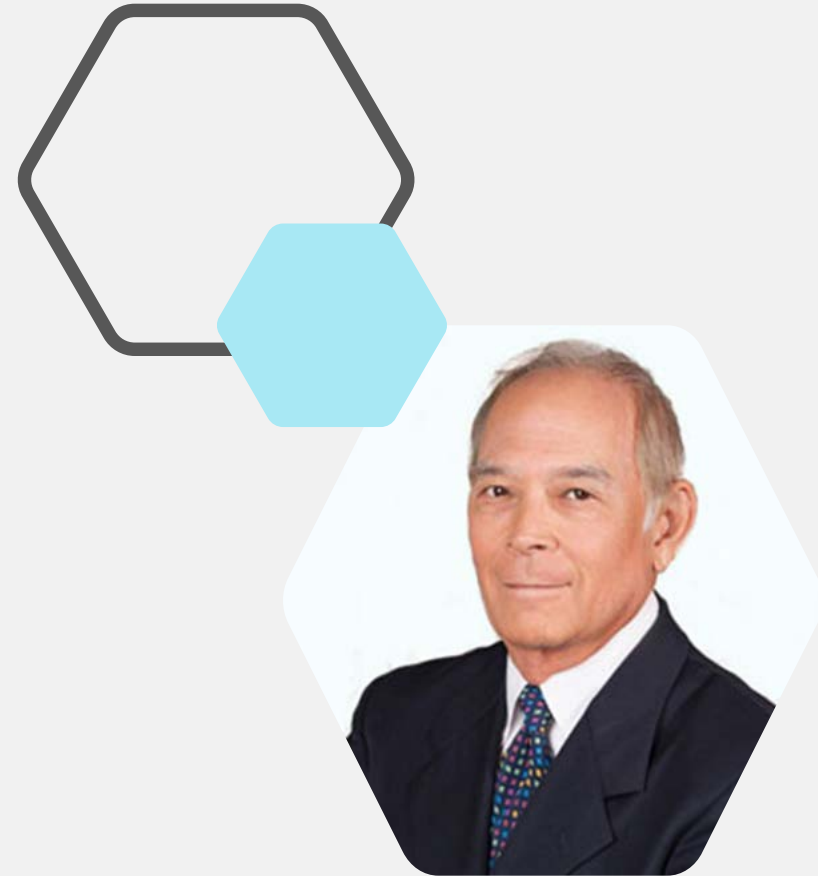
- Mr. Cavo is a managing member and co-founder of:
  - Cavache Properties
  - Cavache Inc.
- Licensed real estate investor and contractor
- 20 years experience in residential & commercial real estate and land development



# Key Principals

## Daniel Adache, AIA

- Daniel Adache is a managing director and chairman of:
  - Cavache Properties
  - Adache Real Estate
  - Adache Group Architects
- Licensed architect, real estate developer and general contractor

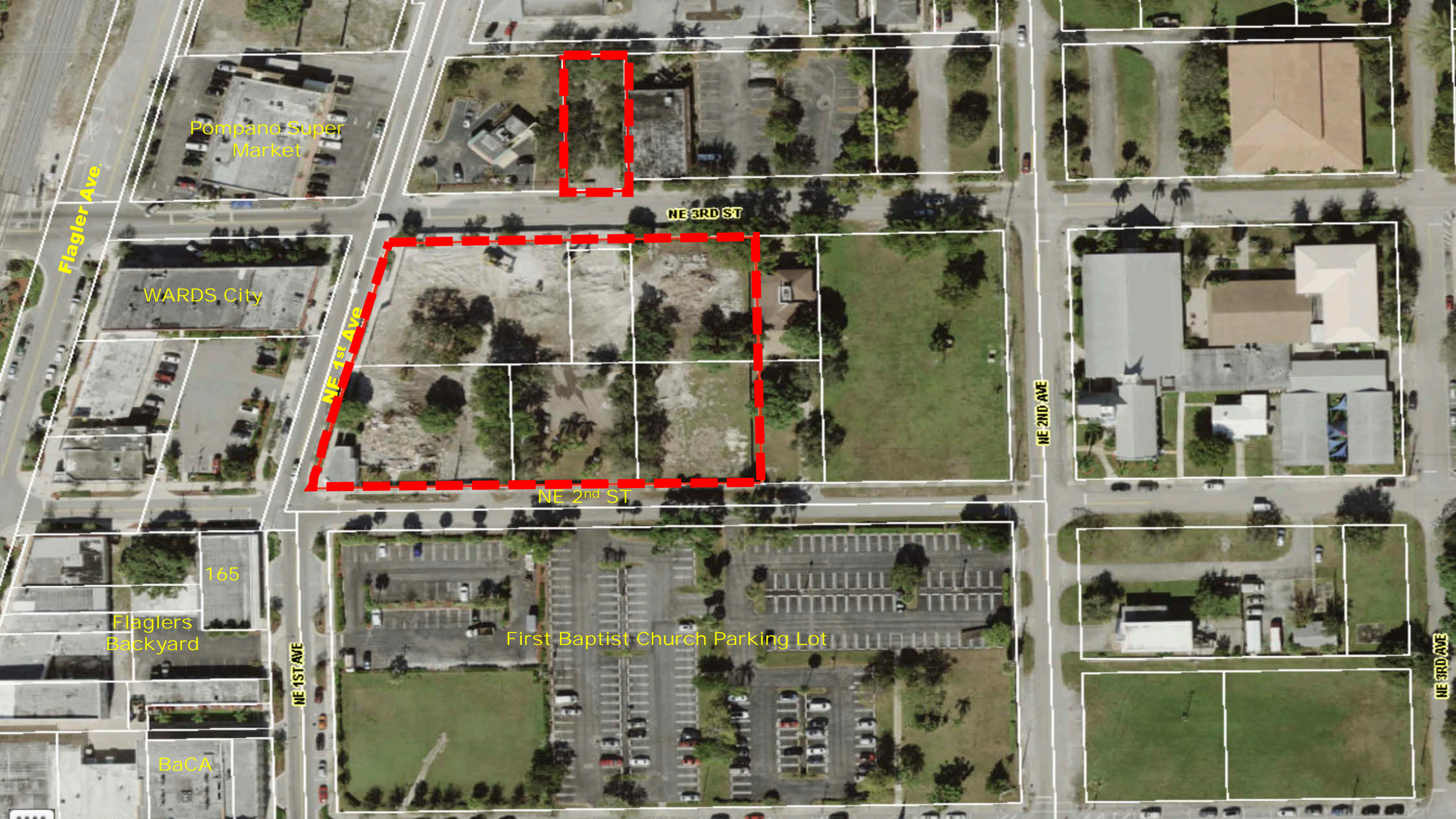






# The Location





Pompano Super Market

Flagler Ave

WARDS City

NE 1st Ave

NE 3RD ST

NE 2nd ST

NE 2ND AVE

165

Flaglers Backyard

BaCA

NE 1ST AVE

First Baptist Church Parking Lot

NE 3RD AVE



















# Old Town Square Project Highlights

- \$63 million in total investment
- Class A, ten-story luxury rental residential project, with 5,433 sq. ft. of commercial/retail space
- 282 multi-family residential units
- 300 total structured garage parking spaces
- 123 total storage spaces
- Infrastructure and public benefits improvements estimated at \$975,000
- Amenities include a pool deck on the fifth floor, green area for aerobics/yoga, gazebo, clubhouse, restrooms with a sauna, mailroom and billiard room.
- Geared with amenities and lifestyle choices that millennials seek.



UNIT MIX	UNITS	SF	RENT/MO	RENT/SF
Studio	31	503	1,375	2.73
1 Bed/1 Bath	181	668	1,650	2.47
2 Bed/2 Bath	65	928	1,900	2.05
2 Bed Loft	5	1200	2,300	1.92
Total	282	719	1,689	2.35



# Pro Forma Gap

- The project is located in a transitional, high risk area for capital providers
- Capital providers are requiring a higher return on investment (7.0%)
- Pro forma based on 6.11% return on investment
- Gap is \$7.8 million on \$63 million project

Description	\$	%
Sources		
Debt	43,000,000	68.3%
<u>Equity</u>	<u>20,000,000</u>	<u>31.7%</u>
Total Sources	63,000,000	100.0%
Uses		
Land	3,800,000	6.0%
Hard Costs	47,600,000	75.6%
Soft Costs	7,620,000	12.1%
<u>Financing</u>	<u>3,980,000</u>	<u>6.3%</u>
Total Uses	63,000,000	100.0%
Net Operating Income	3,850,000	
Return on Cost		6.11%
Gap		
Return on Cost Required		7.00%
Adjusted Cost	\$55,000,000.00	
TIF Gap	\$7,800,000.00	

# Estimated Taxable Values

Based on the millage rate of 5.1362 and 4% annual growth.

## TIF PROJECTIONS

Program Year	Calendar Year	Taxable Value	TIF	Cumulative TIF
1	2021	\$53,550,000	\$261,286	\$261,286
2	2022	\$55,692,000	\$271,738	\$533,024
3	2023	\$57,919,680	\$282,607	\$815,631
4	2024	\$60,236,467	\$293,911	\$1,109,543
5	2025	\$62,645,926	\$305,668	\$1,415,211
6	2026	\$65,151,763	\$317,895	\$1,733,105
7	2027	\$67,757,833	\$330,610	\$2,063,716
8	2028	\$70,468,147	\$343,835	\$2,407,551
9	2029	\$73,286,873	\$357,588	\$2,765,139
10	2030	\$76,218,348	\$371,892	\$3,137,031
11	2031	\$79,267,081	\$386,767	\$3,523,798
12	2032	\$82,437,765	\$402,238	\$3,926,036
13	2033	\$85,735,275	\$418,328	\$4,344,364
14	2034	\$89,164,686	\$435,061	\$4,779,425
15	2035	\$92,731,274	\$452,463	\$5,231,888
16	2036	\$96,440,525	\$470,562	\$5,702,450
17	2037	\$100,298,146	\$489,384	\$6,191,834
18	2038	\$104,310,072	\$508,960	\$6,700,794
19	2039	\$108,482,474	\$529,318	\$7,230,112
20	2040	\$112,821,773	\$550,491	\$7,780,602





# Impact to the City



## REVENUE ACCRUING TO THE CITY OF POMPANO BEACH

Source	20 Year Revenue
Administrative Fee	\$ 409,500
Utility Taxes	\$ 722,200
Franchise Fees	\$ 713,500
Communications Service Taxes	\$ 440,400
Intergovernmental Revenue	\$1,163,600
Total	\$3,449,200



# Employment

- The project will generate a significant amount of jobs during the construction period – distribution of the project cost between materials and labor.
- Typical distribution is 60% materials and 40% labor.
- For the \$63 million project cost, this distribution results in an estimate of \$25,200,000 in labor costs.
- Total Employment is as follows:

Period	Number of Employees (Annual FTEs)
Construction	252
Permanent	21





# Spin-Off Impact

- Leases
  - The annual lease payment are \$4,041,193
- Retail Sales from Commercial Space
  - The average Retail Sales per sq. ft. is \$300 annually, generating a total sales of \$1,629,900
- Retail Sales from Residents
  - Annual Retail Sales per household for this area at \$13,422, generating a total of \$3,785, 004



## DIRECT AND TOTAL ECONOMIC IMPACTS

Category	Direct Impact	Total Impact
<b>Throughput</b>		
Lease Payments	\$4,014,193	\$ 7,345,973
Retail Sales – Commercial Space	\$1,629,900	\$ 2,982,717
Retail Sales – Residents	\$3,785,004	\$ 6,926,557
Total	\$9,429,097	\$17,255,247
<b>Employment</b>		
Permanent Employment	21	38

# Terms

- Developer's Obligations:
  - Utilization of their own funds or funds obtained from capital providers, if applicable, to design, develop and construct the approved \$63 million project
  - Pay all taxes
  - 24 months to commence construction
  - Obtain permits in accordance with South Florida Building Codes or other applicable laws
  - Maintain project in good repair and all insurances upon completion
  - Deliver notice of annual payment amount
- CRA's Obligations:
  - Amend the Real Estate Development Accelerator (REDA) Program
  - Budget and provide tax increment revenue payment up to amount not to exceed \$7.8 million over a 20 year period whichever occurs first
  - Assist with an expedited permit process





