Meet the Team
Harborplace - Baltimore, MD

Group #2 is composed of young professionals with varying backgrounds and expertise, united through a common goal of improving Baltimore.

Amanda Gluck
Harkins Builders
Introduction

Jessica Heinz
Hord Coplan Macht
Concept Run-Through

George Cavelius
Klein Enterprises
Financials and Schedule

Tom Wohlgemuth
CoStar Group
Financials and Schedule

Katie Bush
KatzAbosch
Closing
A Thriving Cultural Hub
Harborplace - Baltimore, MD

Why Harborplace?
• Harborplace has the opportunity to become the premiere waterfront destination of Baltimore

Goals
• Re-imagine the Inner Harbor for a 21st Century audience
• Improve the aesthetic appearance and function
• Serve as a gateway
• Celebrate the charm of Charm City
• Establish a positive and identifiable image for the site
Context
Harborplace - Baltimore, MD

Museums
• Maryland Science Center
• National Aquarium
• Historic Ships
• Baltimore Museum of Industry

Parks
• Rash Field (planned)
  » Playground
  » Skate park
  » Pavilion
  » Fitness area
  » Recreational fields/courts
• West Shore Park
• Federal Hill Park

Entertainment Venues
• MECU Pavilion
• Rams Head Live
• Power Plant Live

Retail/Restaurant
• Power Plant Restaurants
• The Gallery Mall
• Harbor East Shopping
**Conceptual Diagram**

Harborplace - Baltimore, MD

**Goals**
- Improved connection to street and to promenade
- Attractions for locals and visitors

**Program**
- Food Hall
- Maker Space/Art Gallery
- Retail
- Rooftop Restaurant
- Event Space
- Anchor Attraction
- Urban Plazas

**McKeldin Square Initiative**
- Private-Public Partnership
- Raise private funds to realign light street/or tunnel underground, redesign of McKeldin Square, and connect McKeldin Square to the site
- Precedents
  » Fountain Square - Cincinnati, OH
  » Klyde Warren Park - Dallas, TX
  » The Bay - Sarasota, FL
1. Simplified bike path alignment with median and separate pedestrian zone at curb level
2. Consistent streetscape with street trees and specialty paving
3. Gateway Plaza with iconic vertical element
4. Delineate clear entrances to building
5. Fitness Terrace
6. Move service area away from prominent corner
7. Heart of the City Plaza with shade structures and water feature
8. Boat House
9. Kayak ramp
10. Seatwall steps and Living Shoreline down to Harbor
11. Floating wetlands
12. Expanded outdoor dining terrace
13. Simplified pedestrian circulation and expanded SWM planters
14. Enhanced ride share / drop off area
15. Enhanced Crosswalk
Phase 1 Streescape Improvements
Harborplace - Baltimore, MD
Food Hall, MakerSpace, Art Gallery, Retail, Winery

Harborplace - Baltimore, MD
Anchor Attraction: Sports Museum + Training Center
Harborplace - Baltimore, MD
<table>
<thead>
<tr>
<th>Task Name</th>
<th>Duration</th>
<th>Pre-Construction</th>
<th>Year 1</th>
<th>Year 2</th>
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<tbody>
<tr>
<td>Negotiations</td>
<td>3 months</td>
<td>Q1</td>
<td>Q1</td>
<td>Q1</td>
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<tr>
<td>Financing/Preleasing</td>
<td>6 months</td>
<td>Q2</td>
<td>Q2</td>
<td>Q2</td>
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<tr>
<td>Design/Design Review/Permitting for Buildings/Site</td>
<td>18 months</td>
<td>Q3</td>
<td>Q3</td>
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<tr>
<td>Phase 1 Construction - Streetscape</td>
<td>3 months</td>
<td>Q4</td>
<td>Q4</td>
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<tr>
<td>Phase 2 Construction - Building 1/Site/Plazas</td>
<td>12 months</td>
<td></td>
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<tr>
<td>Phase 3 Construction - Building 2/Site</td>
<td>12 Months</td>
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</table>

**Key Milestones**
- Negotiations
- Financing
- Design Phase
- Multi-Phased Construction Approach
## Sources & Uses - Harborplace

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>% Total</th>
<th>$ Total</th>
<th>$/SF</th>
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<tbody>
<tr>
<td>Debt</td>
<td>Construction-to-Perm Financing</td>
<td>65.0%</td>
<td>64,377,300</td>
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<tr>
<td>Equity</td>
<td>Initial Capital Contribution</td>
<td>35.0%</td>
<td>34,664,700</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>$99,042,000</strong></td>
<td><strong>261.32</strong></td>
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<table>
<thead>
<tr>
<th>Uses of Funds</th>
<th>% Total</th>
<th>$ Total</th>
<th>$/SF</th>
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<tr>
<td>Exisiting Buildings Acquisition Price</td>
<td>10.1%</td>
<td>10,000,000</td>
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<td>Construction Hard Costs</td>
<td>57.4%</td>
<td>56,850,000</td>
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<tr>
<td>Project Soft Costs</td>
<td>11.5%</td>
<td>11,370,000</td>
<td>30.00</td>
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<tr>
<td>Site Work (Developer Portion)</td>
<td>1.5%</td>
<td>1,500,000</td>
<td>3.96</td>
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<tr>
<td>Leasing Commissions / Tenant Improvement</td>
<td>8.9%</td>
<td>8,850,000</td>
<td>23.35</td>
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<td>Financing &amp; Carrying Charges</td>
<td>3.5%</td>
<td>3,500,000</td>
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<td>Contingency &amp; Dev. Fees</td>
<td>7.0%</td>
<td>6,972,000</td>
<td>18.40</td>
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<td><strong>TOTAL</strong></td>
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<td><strong>$99,042,000</strong></td>
<td><strong>261.32</strong></td>
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# Rent Roll / Assumptions

## Harborplace - Baltimore, MD

### Rent Roll - Harborplace

<table>
<thead>
<tr>
<th>Building Category</th>
<th>Leasable SF</th>
<th>Gross Rent Potential $/SF (NNN)</th>
<th>Annualized</th>
<th>Duration</th>
<th>Escalations</th>
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<tbody>
<tr>
<td><strong>Pratt Street Building (3 Floors)</strong></td>
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<tr>
<td>Urban Winery Concept</td>
<td>20,000</td>
<td>$40.00/SF</td>
<td>$800,000</td>
<td>10 Yrs</td>
<td>3% per annum</td>
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<tr>
<td>Food Hall</td>
<td>25,000</td>
<td>$40.00/SF</td>
<td>$1,000,000</td>
<td>10 Yrs</td>
<td>3% per annum</td>
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<tr>
<td>Maker Space</td>
<td>25,000</td>
<td>$25.00/SF</td>
<td>$625,000</td>
<td>10 Yrs</td>
<td>3% per annum</td>
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<tr>
<td>Other Spec Retail / Art Gallery</td>
<td>25,000</td>
<td>$20.00/SF</td>
<td>$500,000</td>
<td>10 Yrs</td>
<td>3% per annum</td>
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<tr>
<td><strong>Building Total</strong></td>
<td>95,000</td>
<td>$30.79/SF</td>
<td>$2,925,000</td>
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<td><strong>Light Street Building (3-4 Floors)</strong></td>
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<tr>
<td>Training Center/ Museum</td>
<td>200,000</td>
<td>$20.00/SF</td>
<td>$4,000,000</td>
<td>10 Yrs</td>
<td>3% per annum</td>
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<tr>
<td>Athletic Pool &amp; Spa</td>
<td>30,000</td>
<td>$30.00/SF</td>
<td>$900,000</td>
<td>10 Yrs</td>
<td>3% per annum</td>
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<tr>
<td>Athletic Retail</td>
<td>20,000</td>
<td>$20.00/SF</td>
<td>$400,000</td>
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<td>3% per annum</td>
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<td>Event Space</td>
<td>22,000</td>
<td>$25.00/SF</td>
<td>$550,000</td>
<td>10 Yrs</td>
<td>3% per annum</td>
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<tr>
<td>Rooftop Restaurant</td>
<td>12,000</td>
<td>$50.00/SF</td>
<td>$600,000</td>
<td>10 Yrs</td>
<td>3% per annum</td>
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<tr>
<td><strong>Building Total</strong></td>
<td>284,000</td>
<td>$22.71/SF</td>
<td>$6,450,000</td>
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<td><strong>Project Total</strong></td>
<td>379,000</td>
<td>$24.74/SF</td>
<td>$9,375,000</td>
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### Assumptions

<table>
<thead>
<tr>
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<tr>
<td><strong>OPERATING REVENUES</strong></td>
<td></td>
</tr>
<tr>
<td>Inflationary Growth</td>
<td>3.0% per annum</td>
</tr>
<tr>
<td>Absorption Period</td>
<td>Partial Lease up Year 2, Full Stabilization in Year 3</td>
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<tr>
<td>Retail Expense Recoveries</td>
<td>80% of Operating Expenses</td>
</tr>
<tr>
<td>Vacancy/Credit Loss</td>
<td>5.0% of Potential Gross Income</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES / CAPITAL EXPENDITURES</strong></td>
<td></td>
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<tr>
<td>Inflationary Growth</td>
<td>3.0% per annum</td>
</tr>
<tr>
<td>Ground Rent Paid to City</td>
<td>$1.50/SF based on competitive market pricing</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>$8.50/SF based on surveyed market comparables</td>
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<tr>
<td>Tenant Improvements</td>
<td>$25/SF for new leases built into Dev Budget</td>
</tr>
<tr>
<td>Leasing Commissions</td>
<td>6.0% fixed on new leases; 3.0% on renewals</td>
</tr>
<tr>
<td>Replacement Reserves</td>
<td>Budgeted at $0.15/SF</td>
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</tbody>
</table>

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**Note:** All values are in USD.
<table>
<thead>
<tr>
<th>Year</th>
<th>Jan 2021</th>
<th>Dec 2021</th>
<th>Dec 2022</th>
<th>Dec 2023</th>
<th>Dec 2024</th>
<th>Dec 2025</th>
<th>Dec 2026</th>
<th>Dec 2027</th>
<th>Dec 2028</th>
<th>Dec 2029</th>
<th>Dec 2030</th>
<th>Dec 2031</th>
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<tbody>
<tr>
<td>Construction</td>
<td>Year 1</td>
<td>Year 2</td>
<td>Year 3</td>
<td>Year 4</td>
<td>Year 5</td>
<td>Year 6</td>
<td>Year 7</td>
<td>Year 8</td>
<td>Year 9</td>
<td>Year 10</td>
<td>Year 11</td>
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<tr>
<td>Rental Revenue</td>
<td>$9,375,000</td>
<td>$9,375,000</td>
<td>$9,656,250</td>
<td>$9,945,938</td>
<td>$10,244,316</td>
<td>$10,551,645</td>
<td>$10,868,194</td>
<td>$11,194,240</td>
<td>$11,530,067</td>
<td>$11,875,970</td>
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<tr>
<td>Total Rental Revenue</td>
<td>$4,687,500</td>
<td>$4,687,500</td>
<td>$4,687,500</td>
<td>$4,687,500</td>
<td>$4,687,500</td>
<td>$4,687,500</td>
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<td>$4,687,500</td>
<td>$4,687,500</td>
<td>$4,687,500</td>
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</tr>
<tr>
<td>Total Other Revenue</td>
<td>$6,248,980</td>
<td>$12,591,649</td>
<td>$12,969,398</td>
<td>$13,358,480</td>
<td>$13,759,235</td>
<td>$14,172,012</td>
<td>$14,597,172</td>
<td>$15,035,087</td>
<td>$15,486,140</td>
<td>$15,950,724</td>
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<tr>
<td>Potential Gross Income</td>
<td>$6,248,980</td>
<td>$12,122,899</td>
<td>$12,486,586</td>
<td>$12,861,183</td>
<td>$13,644,429</td>
<td>$14,475,375</td>
<td>$14,909,636</td>
<td>$15,356,925</td>
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<tr>
<td>Effective Gross Income</td>
<td>$6,248,980</td>
<td>$12,122,899</td>
<td>$12,486,586</td>
<td>$12,861,183</td>
<td>$13,644,429</td>
<td>$14,475,375</td>
<td>$14,909,636</td>
<td>$15,356,925</td>
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</tr>
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</table>

### Cash Flow Before Debt Service

<table>
<thead>
<tr>
<th>Year</th>
<th>(99,042,000)</th>
<th>-</th>
<th>-</th>
<th>(99,042,000)</th>
<th>-</th>
<th>-</th>
<th>-</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unlevered Cash-on-Cash Return (8.51% Avg)</td>
<td>4.34%</td>
<td>8.12%</td>
<td>8.37%</td>
<td>8.62%</td>
<td>8.88%</td>
<td>9.15%</td>
<td>9.43%</td>
<td>9.71%</td>
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<tr>
<td>Total Cash Flow Before Debt Service</td>
<td>4,297,130</td>
<td>8,102,088</td>
<td>8,345,150</td>
<td>8,595,505</td>
<td>8,853,370</td>
<td>9,118,971</td>
<td>9,392,540</td>
<td>9,674,317</td>
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<tr>
<td>Net Operating Income</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

### Notes
- Group #2 - Harborplace
- Pro Forma Cash Flow - Operations
- Harborplace - Baltimore, MD
- Construction/Lease-up/Stabilization
- Operations
- Disposition
- Jan 2021 - Dec 2031
## Group #2 - Harborplace

### Debt Financing

- **Debt Financing:** 65.0% LTC
- **Equity Investment:** 34,664,700

### Construction

- **Year 1:** Jan 2021 - Dec 2021
- **Year 2:** Jan 2022 - Dec 2022
- **Year 3:** Jan 2023 - Dec 2023
- **Year 4:** Jan 2024 - Dec 2024
- **Year 5:** Jan 2025 - Dec 2025
- **Year 6:** Jan 2026 - Dec 2026
- **Year 7:** Jan 2027 - Dec 2027
- **Year 8:** Jan 2028 - Dec 2028
- **Year 9:** Jan 2029 - Dec 2029
- **Year 10:** Jan 2030 - Dec 2030

### Debt Service

- **Interest-Only Period:** 36 mos
- **Interest Reserve Carry through:** 24 mos
- **Interest Payments:** 5.00%
- **Principal Payments:** 25 Yr AM

### Total Debt Service

- **Debt Service Coverage Ratio:**
  - **Year 1:** 64,377,300
  - **Year 2:** 64,377,300
  - **Year 3:** 64,377,300
  - **Year 4:** 64,377,300
  - **Year 5:** 64,377,300
  - **Year 6:** 64,377,300
  - **Year 7:** 64,377,300
  - **Year 8:** 64,377,300
  - **Year 9:** 64,377,300
  - **Year 10:** 64,377,300

### Cash Flow After Debt Service

- **Year 10 Cash-on-Cash Return (13.16% Avg):** 12.46%

### DCF Analysis

- **Levered Cash-on-Cash Return (13.16% Avg):**
  - **Year 1:** 12.46%
  - **Year 2:** 13.92%
  - **Year 3:** 10.88%
  - **Year 4:** 11.60%
  - **Year 5:** 13.25%
  - **Year 6:** 13.11%
  - **Year 7:** 13.90%
  - **Year 8:** 14.72%

### Levered Cash-on-Cash Return

- **15.59% IRR on Levered Free Cash Flow:**
  - **Year 1:** 42,971,130
  - **Year 2:** 4,826,373
  - **Year 3:** 3,772,181
  - **Year 4:** 4,022,536
  - **Year 5:** 4,819,571
  - **Year 6:** 5,101,347
  - **Year 7:** 76,304,983

- **3.22x MOIC | Net Profit = 31,305,823**

### Unlevered Cash-on-Cash Return

- **8.76% IRR on Unlevered Free Cash Flow:**
  - **Year 1:** 42,971,130
  - **Year 2:** 8,045,238
  - **Year 3:** 8,288,390
  - **Year 4:** 8,538,655
  - **Year 5:** 8,796,520
  - **Year 6:** 9,062,121
  - **Year 7:** 9,335,690
  - **Year 8:** 9,617,467

- **2.02x MOIC | Net Profit = 101,291,542**

### DCF Analysis Unlevered

- **44% CFAIDS | PV = 26,028,840**
- **56% Net Reversion | PV = 32,846,628**

### DCF Analysis Levered

- **44% CFAIDS | PV = 47,249,130**
- **55% Gross Reversion | PV = 57,641,986**

### Levered Investment

- **100% Levered Investment | PV = 104,891,116**
Bring the “Heart Back to the Harbor!”