# Destination Found

*A Love Letter to an Unmatched Michigan - Live, Work, and Play Lifestyle…*

44° 37’ 36” N
86° 13’ 57” W

# Elberta Bluffs

&

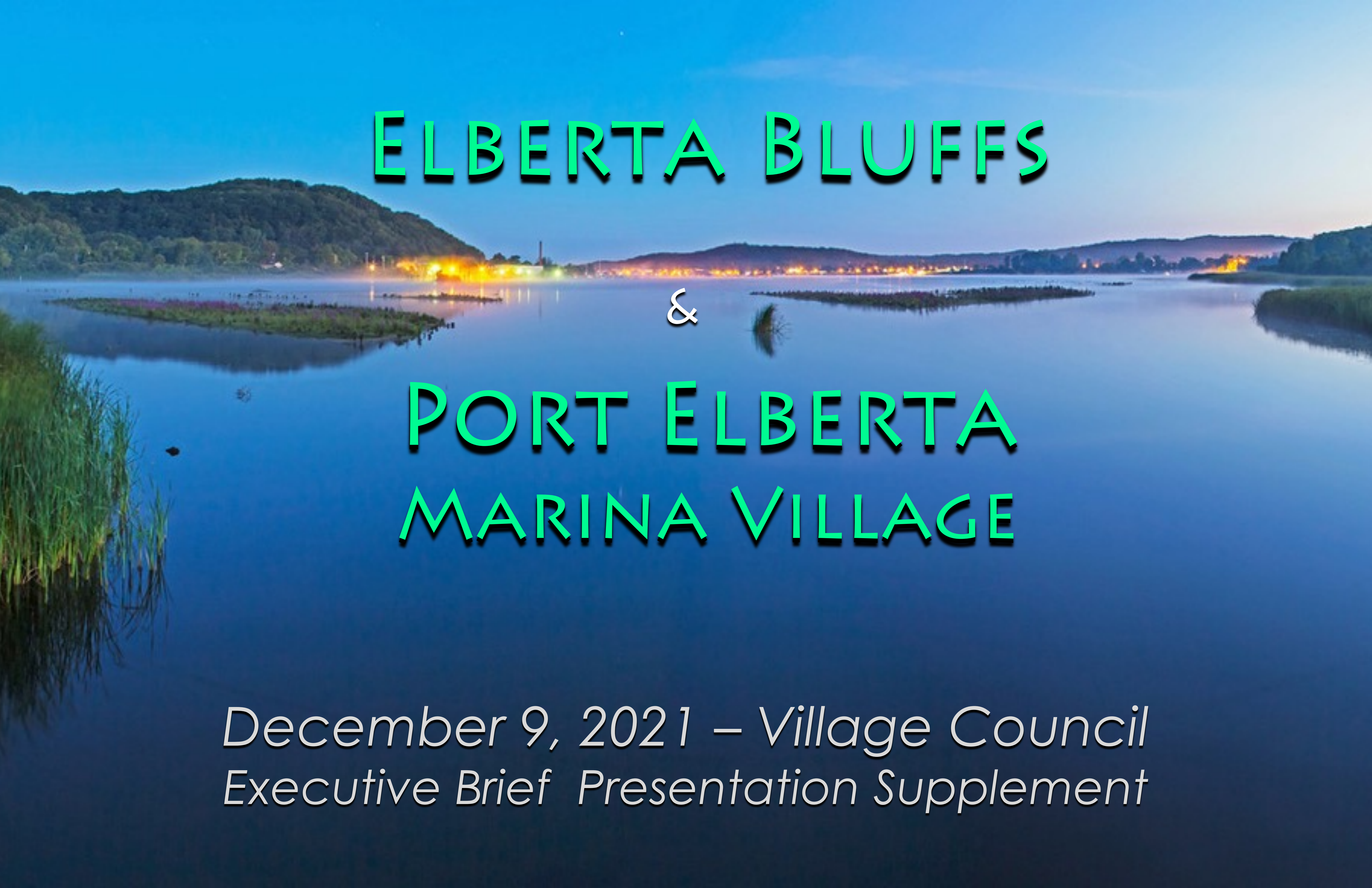
# Port Elberta
## Marina Village

Mixed-Use Resort Community Developments

*Developer / Master Architect*

rki
RICHARD KNORR INTERNATIONAL, LTD

ELBERTA VILLAGE - VILLAGE COUNCIL & PLANNING COMMISSION



# Elberta Bluffs

&

# Port Elberta
## Marina Village

*December 9, 2021 – Village Council*

*Executive Brief  Presentation Supplement*

# DEVELOPMENT GOALS & OBJECTIVES

## ELBERTA BLUFFS & PORT ELBERTA DEVELOPMENTS

1. Organize a sustainable community development that promotes the health, safety, and welfare of its residents and guests.
2. Create a non-homogenous, 4-season, hospitality and residential lifestyle platform, with resort-style amenities, that promotes safe community work-and-play connectivity in a living environment for all ages.
3. Create a contagion resistant, green-building design (LEED Platinum) and ESG operation that is adaptable to market, demographic, and consumer trends that will evolve over future decades.
4. Organize a development program with synergistic, complimentary uses and functions, that strengthens economic sustainability, return on investment, job creation, community value proposition and integration.
5. Create a diverse hospitality environment that serves as an explorational base camp for experiencing passive and active recreation and sports in the Benzie County area.
6. Community: Develop a year-around boardwalk public space that promotes social interaction, gathering, and quite enjoyment of Lake Betsie. Implement community development training facilities, continued education programs, community natatorium facility, mental and physical health and wellness programs.
7. Contagion Mitigation Planning: Promote natural ventilation where and when possible. Reduce vertical circulation and elevator queuing via multiple vertical transportation cores. Increase public space square footage per building occupant – Develop flexible rooftop and courtyard garden space for year around events and enjoyment. Implement CDC public space Covid-19 design guidelines.

- **ESG**


*Design, Construction, Governance*

- **ISO 14001** – *Adherence to a "plan-do-check-act structure"*
- **LEED Platinum Rating** – *Design in accordance with US Green Council Certification requirements*
- **Contagion Resilience** – *Design, Material Specifications, Operations*

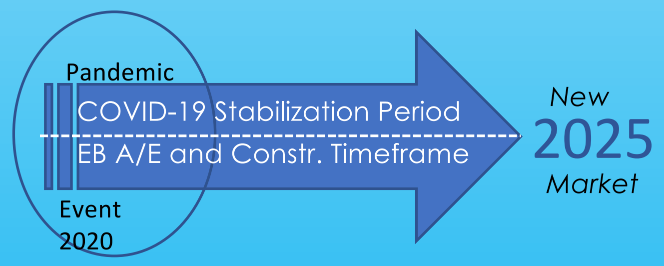
# DEVELOPMENT GOALS & OBJECTIVES

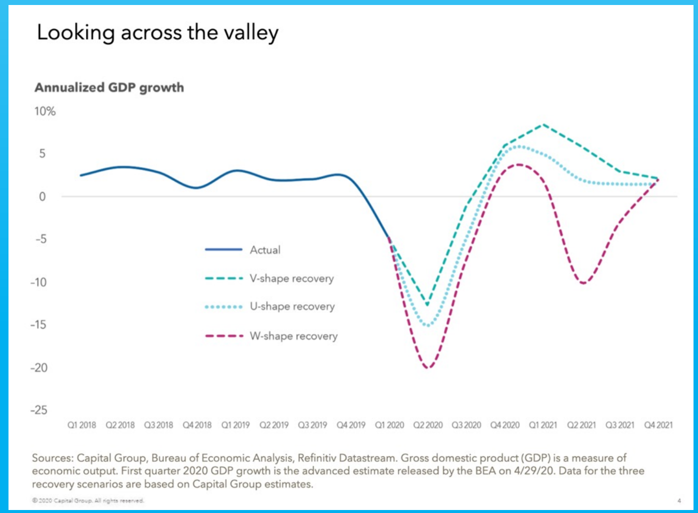
## ELBERTA BLUFFS & PORT ELBERTA DEVELOPMENTS

8. Design master plan to optimize important view corridors, quality of public spaces, connection between Lake Betsie boardwalk and Elberta Bluffs beach and dune park system.
9. Create a distinctive destination and culmination of the 22-mile Betsie Valley Trail in Benzie County Michigan.
10. Create a unique four-seasonal venue that celebrates the riches of Michigan in a development brand that is "***a Love Letter to Pure Michigan***."
11. Integrate a world-class destination spa, wellness and anti-aging facility with direct affiliation with Munson Healthcare Paul Oliver Memorial Hospital doctors, care and services.
12. Create a highly flexible, small meetings (*expandable for the future*) and wedding destination venue with a combination of services, views, and facilities like no other in the State of Michigan.
13. Create a destination sports and recreation venue for all-ages that promotes outdoor family sports, competition, charity fund raising events that benefit the community at large.
14. Create and sponsor community development, vocational training, spiritual development and public health.
15. Create year-around music, cultural arts, and entertainment events venues that become a regional and out-of-State draw that promote the merits of a Pure Michigan lifestyle.
16. Create better-paying, higher-quality local and regional employment opportunities that attract new families to the local townships and Benzie County region.

***"Responsiveness to change, and pursuit of a better ideal is the reasoning that drives the vision for the Elberta Bluffs project."*** *(Knorr)*

### Market Entry Timing





2021 CYC Mac Race Trophy, Section No. 4
**1st Place,** Sailing Vessel Renegade USA 026

# RKI LEADERSHIP

## *meet Richard…*

**Richard Knorr**, AIA - Developer-Architect-Culturalist-Semi-Professional Sailor

Meet the developer behind the Elberta Bluffs and Port Elberta Marina Village projects, Richard Knorr, *AIA, Captain USCG 50T*.

Richard is a developer-architect who specializes in mixed-use waterfront resort developments with over 32-years of international experience in the US, and the Caribbean and Latin America.

He is a real explorer in the truest sense. He is an avid outdoor sports and recreational enthusiast as well as a relentless culturalist, with keen focus on inspired place making and destination creation.

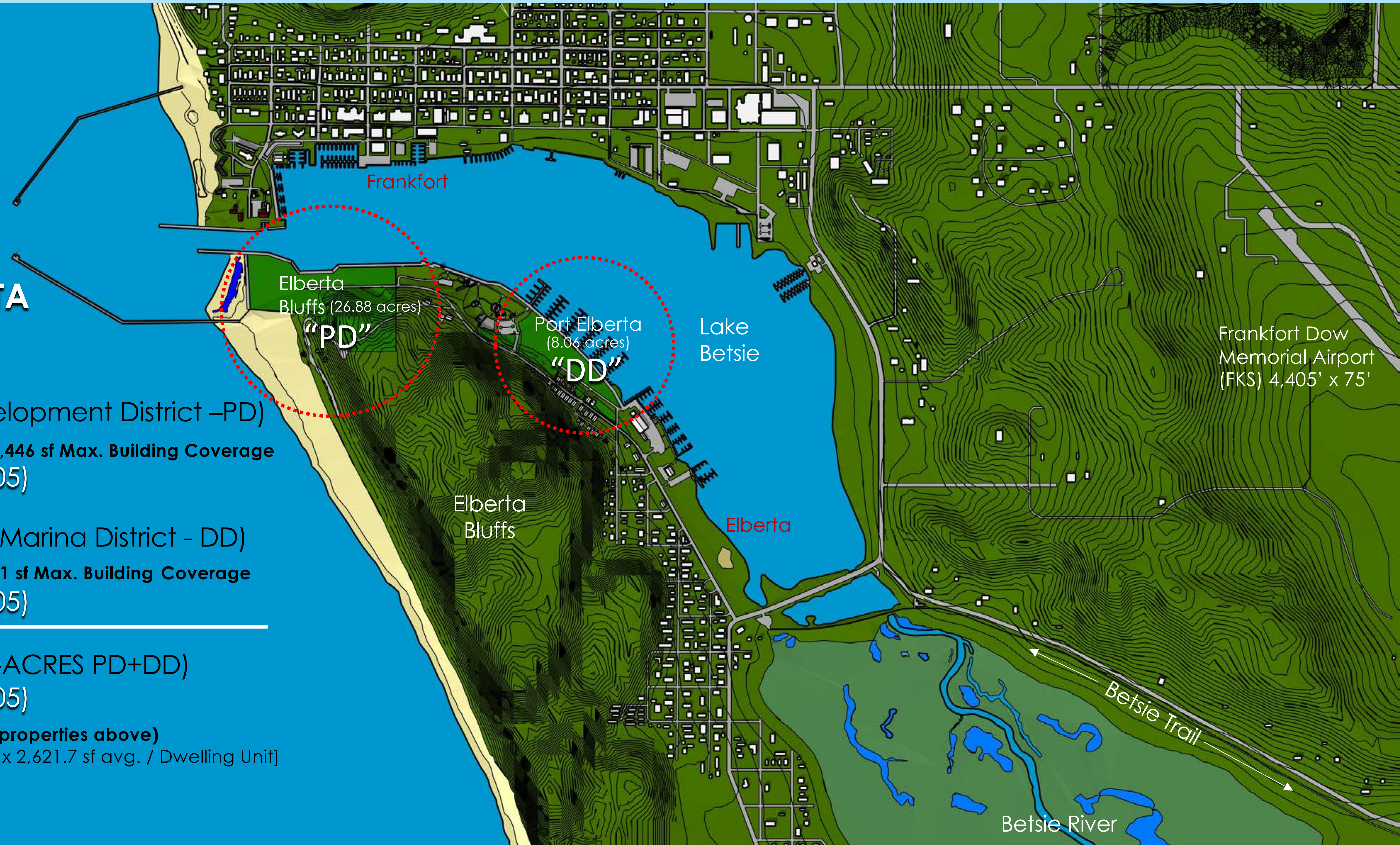
Richard's first experience with the Port of Frankfort happened 10 years ago on a return trip from the MAC Race. Since then, he has sailed through these waters many times and has always been inspired by the natural beauty of the Benzie County coastal region.

The Elberta Bluffs and Port Elberta Marina Village development projects represent a perfect alignment where the culmination of Richard's life experiences, professional expertise, recreational passions, and community development vision, truly bring unmatched potential and a realm of possibilities to the Elberta Land Holdings Company property developments representing a remarkable Michigan legacy destination and investment opportunity.

Background Images: Knorr aboard Sailing Vessel ***Ocean 7779***, N.W. Lake Michigan (2013-2019)


# ELBERTA LAND HOLDINGS COMPANY, LLC

## DEVELOPMENT PROPERTY LOCATION MAP + SITE COVERAGE




### ELHC VILLAGE of ELBERTA DENSITY APPROVALS

**ELBERTA BLUFFS** (Port Development District –PD)

26.88 ac = 1,170,892 sf site area x 50% = **585,446 sf Max. Building Coverage**

**367-DWELLING UNITS** (Circa 2005)

**PORT ELBERTA** (Waterfront Marina District - DD)

8.06 ac = 351,094 sf site area x 33% = **115,861 sf Max. Building Coverage**

**158-DWELLING UNITS** (Circa 2005)

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**TOTAL PROPERTIES** (34.94-ACRES PD+DD)

**525-DWELLING UNITS** (Circa 2005)

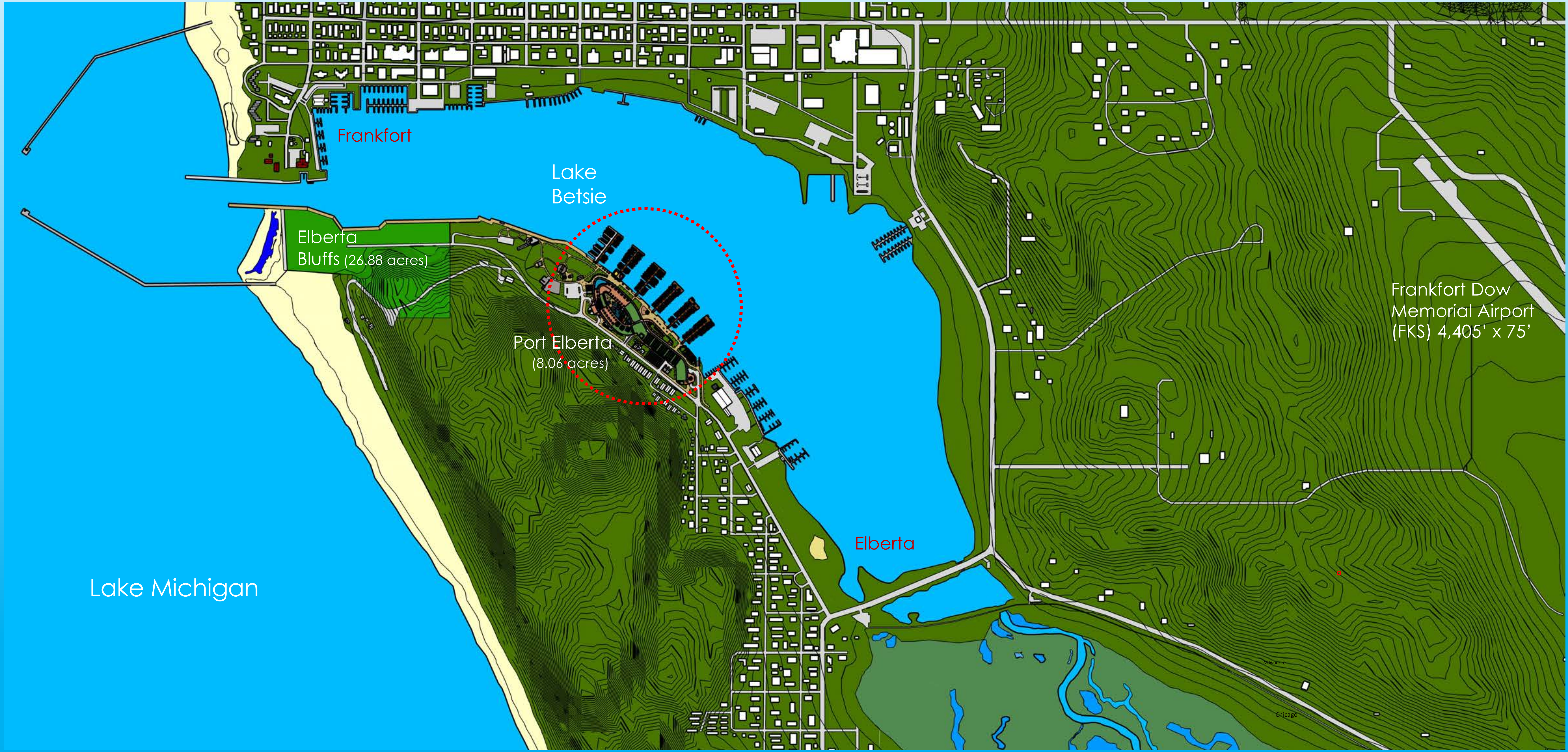
**701,307 sf Max. Building Coverage (PD+DD properties above)**

[701,307 x 2-Stories = 1,402,614 sf = 535 Units x 2,621.7 sf avg. / Dwelling Unit]

# PORT ELBERTA

## PROJECT ONE SUMMARY

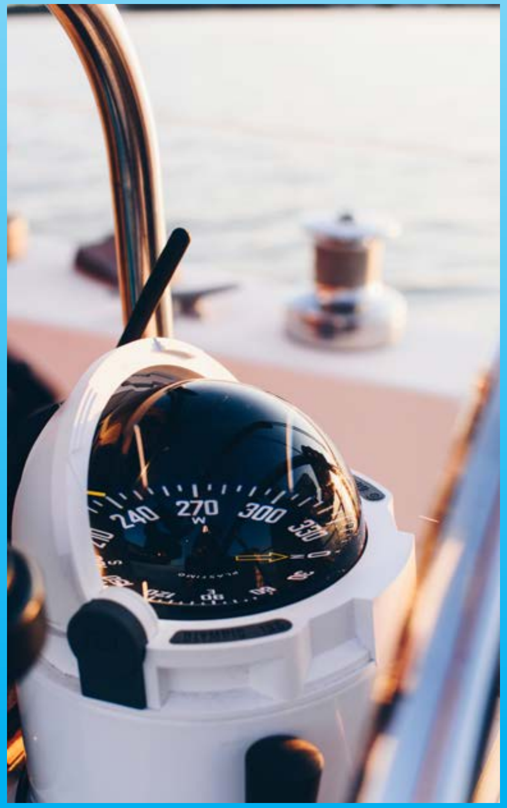
# Port Elberta Marina Village Development




## Site and Location

PORT ELBERTA

# At a Glance...



## CAPITALIZATION & ROI

| | |
|---|---|
| $  60 Million | Equity Investment |
| $140 Million | Debt Financing |
| $    7 Million | PACE Funding |
| **$207 Million** | **TOTAL DEVELOPMENT** |

**ROI: 19.04 % IRR | 2.65 MoIC**



## DEVELOPMENT PROGRAM

| | |
|---|---|
| 104 | Hotel Key Full-Service Branded Hotel |
| 39 | Rental Condominium Units |
| 48 | Associate Apartments |
| 283 | Parking Spaces |
| 148 | Marina Slips |
| **191** | **Dwelling Units** (Hotel, Condos, Apt.'s) |

## FACILITIES

HOTEL
MARINA
BOAT HOUSE
HARBOR HOUSE (Marina Club & Winter Sports)
RESIDENCES
GENERAL STORE (Hyper-market Ships Store)
ENTERTAINMENT & CULINARY BOARDWALK
COMMUNITY NATATORIUM & EVENT FACILITIES
DESTINATION MULTI-PURPOSE ROOF DECK
STORAGE BODEGAS
SPORTS RENTALS & RECREATION CLUB
SNOWMOBILE PARKING & VALET


# Port Elberta Marina Village Roof Plan / Master Site Plan

Port Elberta Site Area: 8.06 ac = 351,094 sf site area x 33% = **115,861 sf = Building Coverage**

# PORT ELBERTA Development Key Metrics & Data

## PORT ELBERTA MARINA VILLAGE DEVELOPMENT SUMMARY

### DEVELOPMENT PROGRAM SUMMARY DATA

| | |
|---|---|
| 8.06 | **Development Site Acreage (Marina District Property)** |
| 23.70 | **Density (Dwelling Units / Acre) [Dwelling Units are Hotel Keys + Residential Keys]** |
| | 104 - Hotel Keys (1BD/1BA Suites) |
| | 39 - Rental Condominiums (2BD/2.5BA) |
| | 48 - Rental Associate Apartments (1&2 BD/1BA) |
| 191 | **Total Density (Hotel & Residential Keys)** |
| 148 | **Total Marina Wet-Slips** |
| 7,560 | **Total Rental Slip Feet (Linear Feet)** |
| | 8 Slips at 80 LF |
| | 35 Slips at 60 LF |
| | 52 Slips at 50 LF |
| | 26 Slips at 45 LF |
| | 21 Slips at 40 LF |
| | 6 Slips at 35 LF (Boat House - Covered Slips) |
| 282 | **Total Parking Spaces** |
| | 156 - Daily Parking Spaces |
| | 59 - Condominium Parking Spaces |
| | 67 - Employee Parking Spaces |
| 108 | **Total Self Storage Bodegas (85 SF EA.)** |
| 25,838 | **Total Commercial Lease Space (Type 1)** |
| | 2,422 SF - Specialty Grocery & Beverages Store (Hypermarket General Store) |
| | 2,422 SF - Seasonal Sporting Goods (Hypermarket Ships Store) |
| | 2,422 SF - Gifts, Novelty, Books, Art, Office Supply, Florist (Hyp-Mar. General Store) |
| | 5,400 SF - Sporting Equipment Rentals and Showroom |
| | 2,422 SF - Seasonal Clothing, Shoes, Equipment Accessories |
| | 600 SF - Pet Store and Doggy Spa |
| | 6,552 SF - Breakfast Diner/Coffee Shop, Grab-n-Go, Deli |
| | 3,200 SF - Bicycle Sales, Rentals, and Repair Show / Winter Ski, Snowshoes, X-Country |
| | 400 SF - Ice Cream / Frozen Your / Hot Beverages and Tea House |
| | * 9,050 SF - Covered Outdoor Commercial Space |
| 23,820 | **Total Covered Outdoor Event Space (Type 2)** |
| | 15,570 SF - Breeze and Courtyard Areas at Boardwalk Level |
| | 8,250 SF - Hotel South Porte Cochere Event Deck (Level -2+3) |
| 76,979 | **Total Hotel Rooftop Area (Level 5)** |
| | 8,048 SF - East Roof Top Bar Circulation and Patio Areas |
| | 4,318 SF - West End Infinity Edge Pool |
| | 11,885 SF - Event/Game Lawn Area |
| | 12,046 SF - South Outdoor Culinary and Lawns |
| | 40,682 SF - Roof Deck Area and Circulation |
| 593,581 | **Total Enclosed Program Area (Heated and A/C Space) [Includes Phase 2 Natatorium Area]** |
| 469,267 | **Total Open Air Areas** (Courtyard, Roof Decks, Marina Docks, Boardwalks, Balconies, Etc.) |
| 1,062,848 | **Total Construction Area** (AC and Open-Air Spaces, Pavement, Drives, Landscaped Areas, Etc.) |

### CONSTRUCTION COST BY DEV. COMPONENT

| | |
|---|---|
| $6,090,768 | Harbor House |
| $4,017,554 | Boat House |
| $22,277,774 | Hotel Guestrooms |
| $30,992,608 | Residences |
| $8,378,335 | Parking |
| $43,759,581 | Public, B.O.H., Amenities |
| $6,633,477 | Port Elberta Marina |
| $867,105 | Solar Array (*Includes Federal Government 30% Tax Credit Discount on Full Price*) |
| $2,257,244 | Port Elberta Community Facility Contribution (50% Natatorium Allowance set aside) |
| **$125,274,445** | **Subtotal** |
| $12,527,445 | Construction Estimate Contingency **(10% of Total)** |
| **$137,801,890** | **TOTAL CONSTRUCTION BUDGET** (FF&E + OS&E are NOT Included) |

### DEVELOPMENT BUDGET SUMMARY

| % of Total | Amount ($USD) | Description of Development Budget Category |
|---|---|---|
| 2.56% | $5,301,703 | Land Acquisition (8.06-acres) |
| 66.57% | $137,801,890 | Total Construction Cost |
| 7.58% | $15,695,207 | Total Design, Engineering and Fit-out Cost |
| 10.23% | $21,177,419 | Total FF&E and OS&E Cost |
| 10.47% | $21,667,579 | Total Development Soft Cost (Non- A/E Related) |
| 0.14% | $300,000 | Total Working Capital Budget |
| 2.44% | $5,056,203 | Total Capitalized Interest Expense |
| **100.00%** | **$207,000,000** | **TOTAL DEVELOPMENT COST** |
| *7.44%* | *$15,393,390* | *TOTAL BUDGET CONTINGENCIES* |

### DEVELOPMENT FINANCIAL PLAN

| % of Total | Amount ($USD) | Source of Funds |
|---|---|---|
| 8.33% | $5,000,000 | Preferred Equity |
| 91.67% | $55,000,000 | Common Equity |
| 100.00% | **$60,000,000** | **TOTAL EQUITY CONTRIBUTIONS** |
| | **$7,000,000** | **Property Assessed Clean Energy Funding (PACE)** |
| 32.37% | **$67,000,000** | **TOTAL EQUITY + PACE FUNDING** |
| 67.63% | **$140,000,000** | **Construction Line (Convertible Mini-Perm)** |
| 100.00% | **$207,000,000** | **TOTAL FUNDING / DEVELOPMENT COST** |
| | 4.50% | Construction Line Interest Rate Assumption |
| | 3.70% | Senior Loan Interest Rate Assumption (10-Year) |

### RETURN ON INVESTMENT SUMMARY

| IRR (5-Yr.) | 5-year Operating Program | Equity Class |
|---|---|---|
| **9.98%** | **$6,712,740** | **Preferred Equity** (Retired Operating Year 3) |
| **18.19%** | **$143,246,029** | **Common LP Equity Gross Return** |
| | **2.60** | **Common LP Equity MoIC** |
| | $8,852,112 | Developer Incentive Equity (See Waterfall Structure) |
| | 7.40% | Weighted Blended Cap Rate (See Tab. No. 4 for detail) |
| | 3.00% | Cost of Sale |
| | $19,530,797 | Year-5 Net Operating Income Before Debt Service |
| | 1.63 | Average Debt Service Coverage Ratio (5-Yr) |
| | $127,355,989 | Year-5 Terminal Value (After ReFi or Sale) |
| | $158,810,881 | Year-5 Gross Return (After ReFi or Sale) |
| **IRR (10-yr.)** | **10-year Operating Program** | **Equity Class** |
| **19.59%** | **$319,308,632** | **Common LP Equity Gross Return (Pref. Retired Yr.-3)** |
| | **4.64** | **Common LP Equity MoIC** |
| | $24,753,920 | Year-10 Net Operating Income Before Debt Service |
| | 1.91 | Average Debt Service Coverage Ratio (10-Yr) |
| | $241,847,105 | Year-10 Terminal Value (After ReFi or Sale) |
| | $381,503,645 | Year-10 Gross Return (After ReFi or Sale) |

| | |
|---|---|
| **$60,000,000** | **TOTAL EQUITIES** (Preferred & Common) |
| **$381,503,645** | **TOTAL GROSS RETURN** (10-OPERATING YEARS) |

| | |
|---|---|
| **$207 M** | **TOTAL DEVELOPMENT COST** |
| ***$60 M*** | ***TOTAL EQUITY*** |
| *$7 M* | *PACE FUNDING* |
| **$140 M** | **DEBT FINACNING** |

| | |
|---|---|
| **Internal Rate of Return (IRR)** | **19.59%** |
| Gross Return on Equity | $381,503,645 |
| Multiple on Invested Capital | 4.64 |
| Terminal Value Cap Rate | 7.4% |
| Cost of Sale | 3.0% |
| Debt-Service-Coverage Ratio | 1.91 |
| Loan-to-Cost Ratio | 67.63% |
| Construction Line Interest Rate | 4.50% |
| A/E Period | 9-Months |
| Bidding & Negotiation Period | 2-Months |
| Contractor Mobilization Period | 1-Month |
| Construction Period | 22-Months |
| Pre-Opening & Testing Period | 2-Months |
| Total A/E, Constr., Pre-op. Period | 36-Months |
| Operating Period to ReFi or Sale | 10-Years |
| Total Investment Period | 13-Years |

# ELBERTA BLUFFS

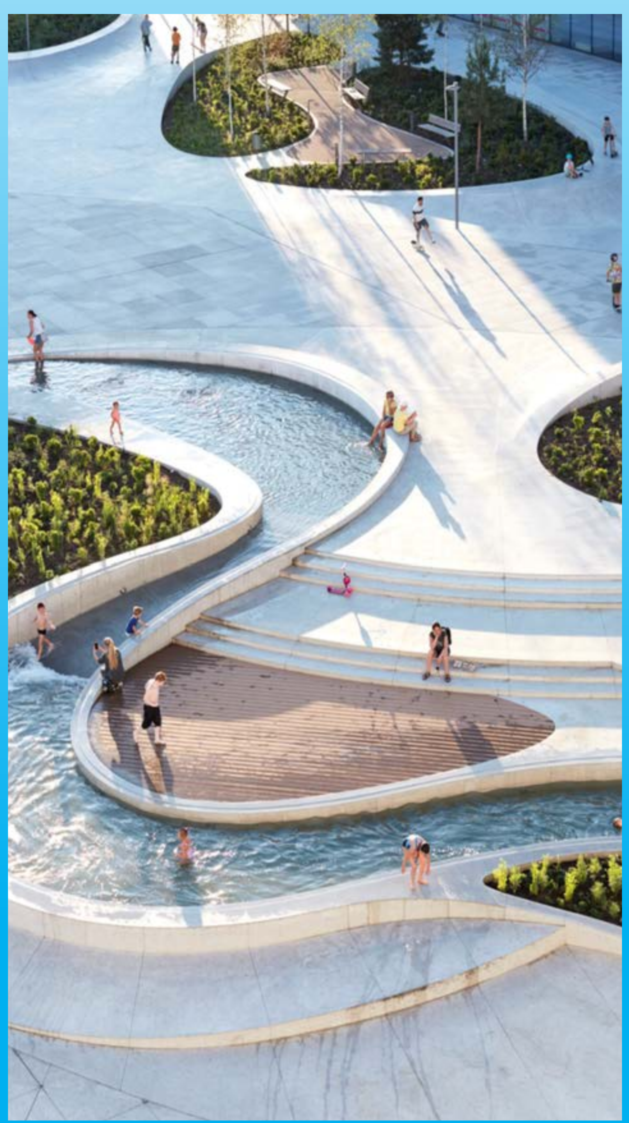
## PROJECT TWO SUMMARY

# Elberta Bluffs Mixed-Use Development


## Site and Location

# ELBERTA BLUFFS

# At a Glance...



## CAPITALIZATION & ROI

| | |
|---|---|
| **$ 55.08 Million** | **Equity Investment** |
| $132.74 Million | Debt Financing |
| $ 10.06 Million | PACE Funding |
| $ 19.23 Million | R.E. Sales Cashflow Contingency |
| $217.11 Million | TOTAL EQUITY+DEBT |
| $144.16 Million | R.E. SALES REINVESTED |
| **$361.27 Million** | **TOTAL SOURCES** |

**ROI: 19.04 % IRR | 2.65 MoIC**

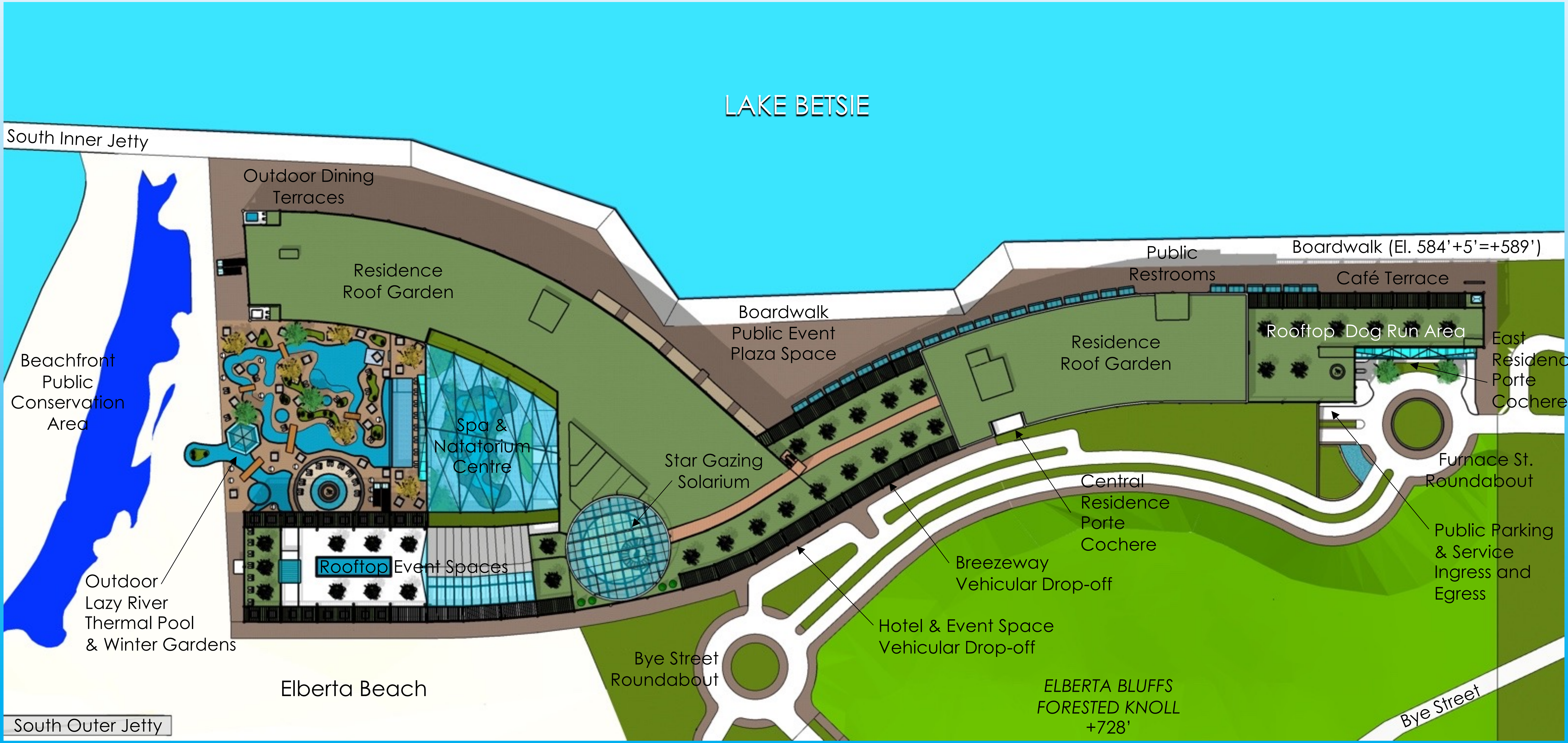
## DEVELOPMENT PROGRAM

| | |
|---|---|
| 114 | Hotel Apartments Branded Full-Service |
| 170 | Condominium Units (For-Sale + Rentals) |
| **284** | **Dwelling Units** (Hotel, Condos, Apt.'s) |
| **517** | **Parking Spaces** |

**164,858 sf Mixed-Use Amenities and Support**

## COMMON FACILITIES

Commercial, Event Space, Spa, Office, Retail, Health & Wellness, Sports Facilities, Indoor and Outdoor Pools, Roof Gardens, Entertainment Clubs, Restaurants, Bodega Storage, Back-of-House, HOA, Community Development and Training Facilities, Elberta Beach Public Restrooms and Lifeguard Station




# Elberta Bluffs Roof Plan / Master Site Plan

26.88 ac = 1,170,892 sf site area x 50% = 585,446 sf Max. Building Coverage Allowable > **267,364 SF Building Design** per above plan)

# KEY DATA METRICS

# ELBERTA BLUFFS

## DEVELOPMENT PROGRAM SUMMARY

| | |
|---|---|
| **26.88** | **Development Site Acreage** *(Lake Michigan District Property)* |
| **10.57** | **Density** *(Dwelling Units / Acre)* |
| **114** | **Daily Rental Hospitality Condominiums** (*Distribution Follows* ) |
| | *52 1BD - 3BD Condominiums* |
| | *62 1BD/1BA Condominiums* |
| **170** | **For-Sale Private Condominiums** |
| **284** | **Total Density / Dwelling Units** |
| **517** | **Total Parking Spaces** (*Distribution Follows* ) |
| | *204 For-Sale Deeded Parking Spaces* |
| | *188 Daily Rental Public Parking Space* |
| | *125 Employee Parking Spaces* |
| **210** | **Total Self Storage Bodgea Units** *(Distribution Follows)* |
| | *170 Condominium Storage Bodegas* |
| | *40 Commerically Leased Bodegas* |
| **164,858** | **Total Commerical Leasable** *(Air-Conditioned Sq. Ft.) (AC - Sq.Ft. Distribution Follows)* |
| | *31,717 Commerical/Retail/Entertainment Boardwalk* |
| | *9,878 NW Wing Fine Dining Specialty Restaurant* |
| | *15,287 SW Wing Casual Dining / Beach Club Restaurant* |
| | *- Breeze Way / Multipurpose Event Loggia* |
| | *20,293 Multipurpose Meeting Rooms (12-Total)* |
| | *9,405 Business Center & Flex Office Facilities* |
| | *12,437 Specialty Bar and Grill (Hospitality Dedicated)* |
| | *38,319 Spa, Indoor/Outdoor Pools, Treatment Rm.s, Retail* |
| | *15,697 Solarium Bar, Restaurant & Piano Bar Lounge* |
| | *11,825 Multipurpose Rooftop Event Room & Pool Terrace* |
| | *- Central Roof Top Garden Terrace* |
| | *164,858 Subtotal* |
| **137,536** | **Total Open-Air Leasable (Covered Outdoor Sq.Ft.)** |
| **1,555,331** | **TOTAL INDOOR AREA** (Sq.Ft.) |
| **222,566** | **TOTAL OUTDOOR COVERED AREA** (Sq.Ft.) **(5.1-Acres)** |
| 128,932 | TOTAL OUTDOOR OPEN-AIR AREA (Sq.Ft.) **(2.96-Acres)** |
| 351,498 | TOTAL OUTDOOR COVERED + OPEN AIR AREA (Sq.Ft.) **(8.06-Acres)** |
| **1,777,897** | **TOTAL INDOOR + OUTDOOR COVERED AREA** (Sq. Ft.) |
| **2,035,761** | **TOTAL INDOOR + OUTDOOR COVERED + OPEN AREA** (Sq.Ft) (*Inc.'s all Green Roof Area* ) |

## DEVELOPMENT PROGRAM AREAS BY TYPE AND ASSOCIATION

| | |
|---|---|
| **499,254** | **TOTAL FOR SALE (CONDOMINIUMS AND PARKING)** |
| **214,056** | **TOTAL LEASED / RENTAL** (Includes Portions of Outdoor Covered Leasable) |
| **472,111** | **MASTER ASSOCIATION** (Includes Retained Operational Facilties and Amentities e.g. Spa & Pools) |
| **309,276** | **HOSPITALITY SERVICES ASSOCIATION** (Inc.'s Hospitality Residence and Specific Amenity Facilities) |
| **237,397** | **RESIDENTIAL ASSOCIATION** |
| **73,460** | **COMMERCIAL ASSOCIATION** |
| **1,805,553** | **TOTAL** |

## DEVELOPMENT BUDGET SUMMARY

| % OF TOTAL | | |
|---|---|---|
| **5.31%** | **$18,698,297** | **Land Acquisition** (26.88-Acres) *(Marina District Property is Separate)* |
| | $156,796,446 | Building Construction Costs |
| | $47,346,200 | Infrastructure Construction Costs |
| | $30,621,397 | Construction Costs Contingency |
| **66.68%** | **$234,764,043** | **TOTAL CONSTRUCTION BUDGET** |
| | $10,364,909 | Design, Engineering and Fit-out |
| | $2,072,982 | Design, Engineering and Fit-out Costs Contingency |
| **3.53%** | **$12,437,891** | **TOTAL DESIGN, ENGINEERING AND FIT-OUT BUDGET** |
| | $38,456,448 | Furniture, Fixtures and Equipment & Operating Supplies and Equipment |
| | $1,780,458 | FF&E and OS&E Costs Contingency |
| **11.43%** | **$40,236,907** | **TOTAL FF&E AND OS&E BUDGET** |
| | $42,463,339 | Development Soft Costs |
| | $1,834,781 | Development Soft Costs Contingency |
| **12.58%** | **$44,298,120** | **TOTAL DEVELOPMENT SOFT COST BUDGET** |
| **0.46%** | **$1,620,802** | **TOTAL WORKING CAPITAL BUDGET** |
| **100.00%** | **$352,056,059** | **TOTAL DEVELOPMENT COST** *(Before Capitlaized and Construction Loan Interest Expenses)* |
| | $9,217,860 | Capitalized Interest Expense on Long-Term Operating Asset Loan(s) |
| | $3,078,262 | Total Construction Loan Interest *(For-Sale Condominiums and Parking)* |
| | **$12,296,121** | **TOTAL CAPITALIZED LOAN AND CONSTRUCTION REVOLVER INTEREST** |
| | **$361,273,919** | **TOTAL DEVELOPMENT COST** *(Including Capitalized Interest Expense)* |

## DEVELOPMENT CAPITAL STRUCTURE SUMMARY

| | | |
|---|---|---|
| **32.92%** | **$65,143,121** | **TOTAL EQUITY FUNDING** |
| **67.08%** | **$132,741,124** | **TOTAL LONG-TERM DEBT FINANCING** |
| **100.00%** | **$197,884,245** | **TOTAL DEBT AND EQUITY** *(Construction Revolver Not Included)* |
| | **$19,222,331** | **MAXIMUM BALANCE ON CONSTRUCTION REVOLVING CREDIT LINE** |
| | **4.50%** | Senior Loan Interest Rate |
| | **1.51** | Senior Loan Average Debt-Service-Coverage Ratio (DSCR) |
| | **4.88%** | Construction Line Interest Rate |

## DEVELOPMENT CASHFLOW SUMMARY

| *Calendar Year* | | | Closings Yr-2023 | OP. Yr-1 2024 | OP. Yr-2 2025 | OP. Yr-3 2026 | OP. Yr-4 2027 | OP. Yr-5 2028 |
|---|---|---|---|---|---|---|---|---|
| Funds Available Before Debt Service | | | | $13,788,770 | $14,542,763 | $15,663,377 | $16,316,076 | $16,938,155 |
| Debt Service Payment | | | | $10,204,626 | $10,204,626 | $10,204,626 | $10,204,626 | $10,204,626 |
| Fund Available After Debt Service | | | | $3,584,144 | $4,338,138 | $5,458,751 | $6,111,451 | $6,733,529 |
| Debt Service Coverage Ratio | | | | 1.35 | 1.43 | 1.53 | 1.60 | 1.66 |
| Average Debt Service Coverage Ratio | 1.51 | | | | | | | |
| Operating Year-5 Capitalized NOI | | | | | | | | $199,272,414 |
| Selling Cost | | | | | | | | ($5,978,172) |
| Retired Debt Balance | | | | | | | | ($109,593,045) |
| Terminal Value at Sale (or Refi) | | | | | | | | $83,701,197 |
| | | | | | | | | |
| Condominium / Parking EBTIDA | | | $21,429,712 | $17,227,705 | $568,928 | $588,378 | $608,479 | $2,405,984 |
| | | | | | | | | |
| IRR (Cash-on-Cash w/ Terminal Value | 24.75% | ($65,142,985) | $21,429,712 | $20,811,849 | $4,907,066 | $6,047,129 | $6,719,930 | $103,045,335 |

| | |
|---|---|
| **Internal Rate of Return (IRR)** | **24.75%** |
| Gross Return on Equity | $162,961,021 |
| Multiple on Invested Capital | 2.50 |
| Terminal Value Cap Rate | 8.5% |
| Cost of Sale | 3.0% |
| Debt-Service-Coverage Ratio | 1.51 |
| Loan-to-Cost Ratio | 63.26% |
| Condo Sales Net Profit Margin | 15.09% |
| A/E Period | 9-Months |
| Bidding & Negotiation Period | 2-Months |
| Contractor Mobilization Period | 1-Month |
| Construction Period | 22-Months |
| Pre-Opening & Testing Period | 2-Months |
| Total A/E, Constr., Pre-op. Period | 36-Months |
| Operating Period to ReFi or Sale | 5-Years |
| Total Investment Period | 8-Years |

**TOTAL EQUITY**
**$65,142,985**

**GROSS RETURN**
**$162,142,985**

Elberta Bluffs *viewing north toward harbor entrance*

# Port Elberta Marina Village

## Job Creation

# Elberta Bluff Mixed-Use Community

**IMPACT DURING CONSTRUCTION** (22 MO)

$380,635,242 OUTPUT

$130,864,737 EARNINGS

$109,460,514 VALUE-ADDED

**1,411 JOBS PER YEAR**

(Direct, Indirect, and Induced Employment)

**FACILITIES OPERATIONS**

**1,532**

**JOBS / YR.**

(Direct, Indirect, Induced)

DURING CONSTRUCTION

**3,874 JOBS PER YEAR**

(Direct, Indirect, and Induced Employment)

**FACILITIES OPERATIONS**

**2,649**

**JOBS / YR.**

(Direct, Indirect, Induced)

**IMPACT DURING CONSTRUCTION** (22 MO)

$664,316,839 OUTPUT

$228,396,215 EARNINGS

$349,602,747 VALUE-ADDED

**2,463 JOBS PER YEAR**

(Direct, Indirect, and Induced Employment)

**FACILITIES OPERATIONS**

**1,117**

**JOBS / YR.**

(Direct, Indirect, Induced)

# ECONOMIC IMPACT ASSESSMENT

# ELBERTA LAND HOLDINGS COMPANY

## RKI DECEMBER 9, 2021 - VILLAGE COUNCIL PRESENATION AGENDA SUMMARY

# Destination Found

44° 37' 36" N
86° 13' 57" W

## Port Elberta Marina Village & Elberta Bluffs

Mixed-Use Resort Community Developments

## ELBERTA TOWNSHIP

VILLAGE COUNCIL & PLANNING COMMISSION

*Presentation by:*

rki
RICHARD KNORR INTERNATIONAL, LTD

# ELBERTA LAND HOLDINGS COMPANY, LLC

FURNACE STREET | ELBERTA | BENZIE COUNTY | MICHIGAN

DEVELOPER / MASTER ARCHITECT

rki

RICHARD KNORR INTERNATIONAL, LTD

*Inspired Destination Making…*