

2004 NATIONAL COMMUNITY DEVELOPMENT LENDING SCHOOL

LENDING TO COMMUNITY-BASED FACILITIES

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Service, nonprofit and religious institutions serve critical roles in the neighborhood. Their social, civic and cultural programs provide quality of life for residents, yet the facilities that house these programs are difficult to finance. At times, these requests are perceived as neither business loans nor real estate projects, and may be overlooked altogether. This session offers a set of general underwriting guidelines that can be applied to community-based projects.

Course Outline:

- I. The Complexity of True Community Change**
- II. Underwriting the Not-for-Profit Borrower and the Transaction**
 - **Know Your Borrower**
 - **Analyze the Project on a Qualitative Basis**
 - **Analyze the Project on a Quantitative Basis**
- III. The Role of the Banker**
- III. Collaboration as the Foundation for Positive Community Change**
- IV. Case Study**

THE QUEENSLEA ASSOCIATION

BACKGROUND

Over one hundred years ago, Queenslea House was established as the first settlement house in Detroit, MI. Founded on a belief in the essential worth of people, Queenslea served to form the vital social safety net that was necessary to assist poor and working class families before there were significant public investments in human services. That assistance took on many forms ranging from education programs, to housing development and improvement, to arts and cultural programming. Throughout the intervening years, Queenslea Association has remained true to the call of its first Director, George Hodges, which was to be “a friend to everyone in the neighborhood who needs a friend.”

The Queenslea Association was first named Queenslea House, a settlement house founded in 1893 by Dr. George Hodges. As a result of the industrial revolution, immigrant workers bound to the mills and factories found themselves poor and in tremendous need. These conditions precipitated a movement of human service and social reform led by privileged university graduates. Thus, the turn of the 20th Century saw the founding of the settlement house movement. Leaders of the reform movement were living in the community and organized social, educational, and recreational programs. These individuals believed that partnership with the community as an equal participant, sharing its issues and concerns, would bring solutions to the new problems of urban life.

The doors of Queenslea House opened Christmas Day, 1893 to immigrant laborers in Detroit’s Strip District. The Queenslea House was named for Christian Socialist and Oxford University student Charles Queenslea who is credited along with Frederick Dennison Maurice with founding the settlement house movement in the East End of London.

The Queenslea House was host to an abundance of cultural, educational, and social programming such as, boy’s and girl’s clubs, literary societies, lectures, concerts, kindergarten, and science and reading classes. The House was so successful that, in 1900, it became necessary to expand. It was then that H.C. Rick gifted the Longtooth Mansion at Bedford and Fullerton, in Detroit’s Hill District, to the Queenslea House Association. Shortly afterward, Queenslea House Association board member Charles Taylor purchased sixty-five acres of farmland in Valencia, Pennsylvania to be used as a fresh-air farm for Queenslea’s neighbors. Taylor’s Valencia estate, deeded to the Queenslea House Association in 1907, is now the Margaret LongCamp, which still serves Detroit youth today.

Growth continued, and in 1917 the Queenslea House Association became The Queenslea Association. In the winter of 1923 Queenslea moved to Barrymore Avenue in East Freedom, and has been located in the East End ever since. With the exception of a four-year period from 1978 to 1982, Queenslea had a central presence in the East End of Detroit. In 1978, the original East End location was closed due to cost prohibitive repairs needed to make the building safe and more functional. The building was eventually

demolished. In 1982, Queenslea reestablished an East End headquarters by receiving, as a donation, a former temporary bank building and has been in this location ever since. Queenslea's leadership recognized the need to evaluate its facilities needs and, ultimately, the decision to consolidate administrative locations was made. A community advisory board was formed in 1999 to assist in the planning for the proposed project. This board, New Village Development Group, is comprised of local elected officials, residents of the neighborhood, local school administrators, parents, and Queenslea staff and management. They have played an important role in helping to formulate and refine the concept for the project, and will continue to advise Queenslea in the ongoing operation of the LBCSC following completion.

Service Impact: The current Queenslea Center is situated in the East Freedom business district, and has operated from this location since 1982. It is two floors, approximately 11,000 square feet in size. Queenslea Association holds clear title to the property. Erected originally to serve as a temporary bank branch, the building is not handicap accessible. The Center is regularly operated five days a week. Due to severe space limitations, the Association has been forced to locate some services offsite or, in some instances, to forego conducting some programs altogether. In spite of those limitations, Queenslea Association continues to provide a wide array of services, and hosts a number of group activities that are sponsored by public interests including government authorities, citizen advocacy groups, educational interests, etc. These activities are conducted from the Queenslea Center, the Margaret LongCamp, and various locations scattered throughout the neighborhood.

Currently, the Association operates a year round youth athletics program that involves more than 200 youngsters, boys and girls, ages 7 – 16. Two after-school programs are sponsored in the Barrymore and East Hills communities. Funded by the Detroit Foundation's Fund for Children Program, these two sites regularly serve an average of 75 youngsters weekly throughout the year. One site is operated in two apartment units in a development slated for demolition and redevelopment. Queenslea sponsors the Barrymore Youth Places teen drop-in program that works with 25 – 50 young people daily. For the past two and a half years the program has been operated from an elementary school and two small churches. The summer months have forced the program outdoors. Throughout the summer months, Queenslea operates a day camp program that serves over 150 children ages 5 – 12. Construction of the new center will enable the program to double in size, and provide parents with more options for children's summer programming. Funded by the Heinz Endowments, a newly established Youth Leadership Program will work with 20 teens weekly beginning in fall 2001. A forty-year-old program for stroke survivors provides services to 10 persons weekly. As that program expands and emphasizes a broader public health focus, the overall enrollment is expected to increase. The Early Childhood Initiative led by the United Way of Allegheny County led to development of the Queenslea Childcare Mentoring Project that focuses on assisting childcare providers that are committed to achieving national accreditation. The Queenslea operated community access computer laboratory provides high speed internet access to residents young and old, who agree to an Acceptable Use Policy set by the Association. In addition to instructional classes, Queenslea provides to a full array of

digital programming capability including software instruction, digital imaging, recording, and composition/layout.

In addition to these programs, the Queenslea Center serves as a home for local artists and a venue for exhibition, instruction, and performance related activities. Two to three times yearly, a significant exhibition is organized. Classes are conducted weekly for children and adults in activities as diverse as salsa dance and oil painting. Performances including theatre, dance, drama, and music are held regularly.

Once completed, the Lincoln-Barrymore Community Center will serve nearly 14,000 households in the surrounding area. Combined, these neighborhoods represent 15% of the City of Detroit's population. While the Queenslea Association currently serves families throughout the east end of the City of Detroit and beyond, the majority of families live in the neighborhoods of East Freedom, Barrymore, Lincoln, Lemington, Belmar and Homewood West. The median family income ranged from \$16,000-29,000 by neighborhood. Nearly one third of those living in the area are at, or below the poverty line. Seventy-seven percent of the 20,000 people in the area are African-American. Of those age 25 and older, more than a third had completed less than four years of high school, while only ten percent had completed college.

This information, based on the 1990 U.S. Census Report, highlights the apparent needs of those living in the area. More current data will be available soon, and will further document the decline in the area. For now, these numbers give you some insight into the lives of the community members they represent. Queenslea is dedicated to providing the 12,461 children living in these depressed areas with access to some of the very basic opportunities that will allow them to enjoy fuller lives.

In addition to the services and supports offered through the partnerships described earlier, listed below, the center will create new opportunities for vital services that meet the needs of residents. Primary health care services, family support center & network, accredited childcare, local magisterial services and a teen program center are but a few of the additional services to be added at the center.

Most of the programs previously described will find a new and permanent home in the Lincoln Barrymore Community Service Center, while the opportunity to develop new and expanded offerings will be created.

RATIONALE FOR NEW FACILITY

While the issues faced by children and families have been transformed in significant ways over the decades, the essential nature of the problems they confront have not. Poverty, unemployment, discrimination, and poor health and housing persist as challenges for many trying to achieve what everyone aspires to. As a result, Queenslea continues to meet the challenges of building new and stronger foundations that will enable everyone to more fully realize the legitimate dreams and aspirations that we all harbor. During this era of dwindling public support, the Queenslea Association is striving to help build a new standard of excellence in programming and service, and to

renew the spirit of community that makes our neighborhoods special. An ever-expanding network of partners and supporters make Queenslea's work possible, and you are invited to help Queenslea advance to a higher level of community service by supporting its request for financing.

The Queenslea Association works diligently to provide comprehensive, culturally relevant, educational, recreational, and social programming that positively impacts the lives of youth, their families and the East End communities of East Freedom, Garfield, Point Breeze, Homewood, Lincoln, Barrymore, Lemington, Belmar East Hills, Wilkinsburg and beyond. Through its work Queenslea has become a vital thread in the fabric of these communities.

Queenslea's objective is to create new and innovative, neighborhood-based programs responsive to the changing needs of East End residents, with particular attention to young people. Through partnership and collaboration with numerous agencies, Queenslea seeks to empower youth, their families and community with the tools to reach their fullest potential – physically, mentally, economically and socially.

Mobilization of community resources through partnership is one of Queenslea Association's core strengths. Over the decades, it has worked to create an alliance of neighborhood-based agencies, grass-roots organizations, civic councils, community leaders, service providers, and practitioners to improve the quality and availability of programs and services to East End communities. Through these efforts, it continues to link resources that may have otherwise been inaccessible in the areas they are needed most.

The Queenslea Association envisions an even greater role for dynamic partnership in the future. Seeking to not only meet need, Queenslea endeavors to create tangible opportunities and definitive measures to building stronger, healthier communities. Through Queenslea, local groups and partnering agencies have access to program facilitation, technical support, meeting space and fiscal agent services.

THE OPPORTUNITY: A NEW COMMUNITY CENTER

Many of the opportunities we had as children, the opportunities that defined and shaped our lives, were offered within our own communities in places where our mothers, our fathers, our grandparents, and we could feel secure. These places were the centers of our communities. The Queenslea House on Barrymore Avenue and Auburn Street was the center of family life in East End communities for fifty-five years. The Queenslea meant so much to so many that since it's close in 1978, East End residents themselves have worked together in hopes of returning a similar venue for programming and services to the community.

The current Kingsley center is located in the East Freedom business district, and has operated there since 1982. Its two floors total 11,000 square feet. Due to severe space limitation for their growing programs, the organization is forced to locate some services offsite, or in some instances, has been forced to forego programs altogether. The

consolidation of all of their programs into a new facility will provide not only greater operating efficiencies, but also direct cost savings by eliminating rent expense.

Now, the Queenslea Association is sponsoring re-construction of the center in the Lincoln-Barrymore community, a mere two blocks from the original Queenslea House location. The Lincoln Barrymore Community Service Center (LBCSC) sited for the northeast corner of East Freedom Boulevard and Broad Street will re-establish a neighborhood place of belonging, a place where families can enjoy educational, social, and recreational programs that will have long-term, positive impact on the community as a whole.

PROGRAMS & SERVICES

Innovation has been the hallmark of Queenslea's programming. Because of its ties to East End communities, Queenslea understands many of the needs of those it serves. It also has a vested interest in the residents. With the benefit of this perspective, Queenslea Association creates a wealth of relevant and effective services to address the articulated areas of need. One of its major areas of focus is directed toward our youth and the systems that support them, based on the understanding that the future rests in their ability to envision a better world and the capacity to make a difference.

By providing meeting space, technical support and cultivating partnerships, The Queenslea Association offers a comprehensive list of programs and services for all members of the community. Areas of programming and service include:

- (A) Child Development
- (B) Youth Development
- (C) Sports and Recreation
- (D) Health and Wellness
- (E) Arts and Culture

(A) CHILD DEVELOPMENT: Appropriate, Quality, Care

The Queenslea Association has made a solid commitment to ensuring outstanding community-wide childcare. We believe every parent should have access to a developmentally appropriate facility, which provides a safe and nurturing environment for their children. To achieve this vision, Queenslea's Childcare Accreditation Mentoring and Support Program, in partnership with the University of Detroit Child Development Center, actively works to improve the standard of childcare in East End communities, by strongly encouraging and supporting childcare centers in their pursuit of National Association for the Education of Young Children (NAEYC) accreditation. To receive and display the NAEYC logo is the hallmark of a superior center – assuring parents their children will receive the best possible care.

(B) YOUTH DEVELOPMENT: Investing in the Future

The Queenslea Association and its partnering agencies offer youth from East End communities access to life-changing programs and services. Our philosophy involves numerous methods of instruction, mentorship, and peer interaction designed to combat a pervasive environment of youth violence, sexual involvement, and substance abuse. For

years, we have helped youth become well-rounded individuals – empowered to make positive decisions for their future.

Whether instructional or recreational, programming is delivered in a safe environment by trained and dedicated staff who inspire our youth to dream and make those dreams come true. Programs and services include after school programs as well as the following:

- () Education & Life Skills
- (a) Youth Drop-In Centers
- (b) Leadership Development Programs
- (c) Computer Literacy and Internet Access
- (d) Youth Wellness Initiative
- (e) Career Readiness

(C) SPORTS & RECREATION: Responsibility, Teamwork, Fair Play

The Queenslea Association offers sports and recreation activities for school-age children delivered in a safe, positive environment with the invaluable support of parent volunteers who fundraise, supervise, and serve as team leaders. These activities offer important opportunities for creativity and self-discovery. For example, our sports programs teach the fundamentals of basketball, cheerleading, football and softball – providing an environment for children to learn social skills, discipline, and teamwork while they have fun. Other activities, such as dance and the arts, encourage self-expression and support the connection of body and mind.

Queenslea is a member of the National Youth Sports Coaches Association, the Parent Association for Youth Sports, and the Allegheny County Midget Football League. Queenslea represents the Detroit area as the National Major League Baseball Youth Sports Affiliate offering the Start Smart baseball program. Also, our Cheerleading Program partners with the National Cheerleading Association and the University of Detroit Athletics Department to offer competition level cheer camps. Sports and recreation activities include:

- (f) Basketball
- (g) Football
- (h) Softball
- (i) Cheerleading
- (j) Dance Instruction
- (k) Martial Arts
- (l) Arts & Crafts
- (m) Movie Series

Queenslea offers one of the best day camp experiences in the greater Detroit area. Margaret LongDay Camp is situated on 110 acres near Valencia, Pennsylvania. Only 25 miles from Detroit, various day camp programs and organizations, in addition to our own utilize facilities that include a swimming pool, hiking trails, ball fields, a basketball court, picnic pavilion, multipurpose center, and fishpond.

Through the Queenslea Association, school-age children can participate in eight, one-week summer sessions filled with fun recreational and educational activities including

sports, drama, arts and crafts, and nature science. Counselors are responsible, caring adults specially trained by Queenslea , and each year the camp undergoes independent inspections by the American Camping Association.

(D) HEALTH & WELLNESS: Awareness, Well-being, Quality of Life

Taking cues from the Federal Government’s Healthy People 2010 Report, Queenslea Association Health and Wellness Initiatives stress community awareness, disease prevention, improved access to quality health care, and youth fitness. Based on a holistic ideal, we partner with other agencies to provide recreational, educational, therapeutic and preventative programming combined to offer East End residents activities promoting their optimal physical, mental and social health. Health & Wellness activities include:

- (n) Conferences/Workshops
- (o) Medical Screenings
- (p) Nutrition Education
- (q) HIV/AIDS Education & Services
- (r) Stroke Survivors Group
- (s) Disease Prevention Education
- (t) Family Support

(E) ARTS & CULTURE: Dreams, Innovation, Creation

Said socialist, artist and poet William Morris, “The cause of art is the cause of the people.” Queenslea Association’s Arts and Culture Initiatives create a vehicle to enlighten and renew communities by opening hearts and minds, building self-esteem, teaching history, raising cultural awareness, and encouraging discussion around important social issues. And as a host to an Artist In Residence program, Queenslea is joined by artists from the Americas and Africa to create new works and broaden community understanding of the arts within the African Diaspora. Queenslea cultivates and supports artists by acting as fiscal agents for grants, facilitating various other resources, and providing a large gallery space regularly used for exhibitions, workshops, classes, rehearsals and performances.

Arts related activities include:

- (u) Exhibitions
- (v) Artist Support
- (w) Workshops & Classes
- (x) Performances
- (y) Working Space

The Queenslea Association sees itself as a place where cultural awareness is unmistakably woven throughout its programs and services. It understands that when individuals learn of the history and accomplishments of their respective communities, the possibilities for their own lives begin to blossom. Primarily African-centered, you will find the Queenslea embraces a diverse cultural consciousness, celebrating the rich tapestry of our collective human experience.

Cultural activities include:

- (z) Cultural Education
 - (aa) Lectures & Readings
 - (bb) Hip Hop Symposium
 - (cc) Crafts
 - (dd) Literacy Clubs
 - (ee) African Drumming

BUILDING

Total cost of construction is estimated to be \$4,184,000 of which \$270,000 represents Queenslea's own pledge. While, \$4,184,000 may seem like a pretty steep figure it merely represents spending \$335 on the future of each child in the East End communities served by Queenslea. Queenslea has received commitments from local government and area foundations totaling \$250,000 toward the design and pre-construction phases which are underway.

During this era of dwindling public support, the Queenslea is striving to help build a new standard of excellence in programming and service, and to renew the spirit of community that makes our neighborhoods special. The 56,000 square foot LBCSC facility will allow Queenslea to provide East Enders with many of the necessary resources to enrich their lives. Youth, families, schools, social service agencies, and community groups will enjoy use of a computer lab, activity and meeting areas, classrooms a regulation size gymnasium, and a 25-meter indoor swimming pool. Partnerships with health care providers, local government, educators, family support agencies, and the like will provide the community with tools for restoration.

The three levels of the community center will provide the following facilities:

FIRST FLOOR: gym, swimming pool, childcare, district magistrate office, meeting rooms, gallery space, retail canteen

SECOND FLOOR: family support & services, administration, education services & classrooms, computer lab

THIRD FLOOR: health care, partnering agencies & social service providers

Scope: The Lincoln Barrymore Community Service Center is an approximate 56,000 sq. ft. building sponsored by the Queenslea Association. The project consists of three core elements that, when combined will provide a multi-purpose venue for community-based services and programming. The three elements are an indoor regulations size gymnasium, twenty-five meter indoor swimming pool, and three-story office tower that will house program areas including a community accessible computer technology laboratory, classrooms, and other activity spaces. In addition to providing approximately 9,500 sq. ft. of lease space for compatible uses, the center will house the local district magistrate office and Queenslea Association executive offices.

Location: The Lincoln Barrymore Community Service Center will be constructed on parcel 125-A-325, located in the City of Detroit's East End. Specifically, the site is situated at the intersection of East Freedom Blvd. and Broad St., and bordered by Paulson Ave. The site is owned by the City of Detroit, and has been committed for the proposed use. There are no structures currently on the site. The location is immediately adjacent to several surrounding residential neighborhoods including East Freedom, Barrymore, Hamilton, and Lincoln. It also borders the East Freedom empowerment zone. The site is two blocks from the original location of the Queenslea House program center, which served the surrounding neighborhoods from 1923 – 1978. These eastern neighborhoods are the current focus of a number of revitalization planning efforts that are addressing housing and commercial development.

Funding: Total estimated construction costs are \$4,184,000. Mayor Guy Costa provided an initial pre-development grant of \$100,000 that has funded initial study and design work. City Councilwoman Jill Sobule has committed \$15,000 in District Improvement Funds to further completion of design activities. The City of Detroit has expressed support for an additional \$925,000 in matching funds from the capital budget spread over a two-year period for construction for total City support of \$1,040,000. State Representative Lucinda Williams has played a vital role in helping to secure support from the Commonwealth of Pennsylvania. The requested state funding will be devoted entirely to cover construction costs. Public support will be leveraged to secure private financing and foundation support. The balance of the necessary funding will be provided by Queenslea Association and represent the Association's equity interest in the project. The attached copy of the Association's audited financial position is evidence of the organization's stability.

Professional Services: Queenslea Association has contracted with Eboneezer Development, LLC to provide development and construction management services for the project. A certified MBE firm, Eboneezer Development has carried out two office projects in another section of Detroit. Queenslea and Eboneezer Development have jointly committed to utilize the services of qualified MBE/WBE whenever practical. RSH Architects is providing design services for the project, and has maintained a long demonstrated support for the project having provided pro bona service to the original initiators of the project nearly twenty years ago.

Economic Impact: The Queenslea Association operating budget for fiscal year 2002 is \$1.6 million, having nearly tripled in the past three years. The current Queenslea payroll is comprised of professional, clerical, program and support staff totaling 40 permanent positions with approximately 25% being full time. Another five persons are employed throughout the year on a temporary basis. An additional 15 temporary full time staff are employed during the summer. Through an agreement with the YMCA of Detroit's Senior Aide Program, two permanent part-time staff positions are funded. Additional field placements are supplied through the University of Detroit, School of Social work, for special projects, while 60-75 volunteers support individual programs primarily involving youth. While all of the positions referenced above will be retained upon completion of the new project, 15-20 additional positions will be created with half

expected to be full-time program staff with an expanded after-school program, family support center, and informal education programs. The vital corps of volunteers that make much of the programming possible will also grow, based on the enhanced capability of the center.

Additional full and part-time job openings will be created with the establishment of an early childhood learning center, and a primary health care satellite operation. Both will be operated by outside interests.

Board Leadership: Kingsley's 17-member Board of Directors consists of attorneys, accountants, architects, educators and child development professionals, a medical doctor, an entrepreneur, two elected officials, and two staff members of the Redevelopment Authority of Detroit. Additionally, another employee of Your Bank is a Board Member. The board is very active in strategic planning and fundraising for the organization and the Board's finance committee is very hands-on in the planning of this project.

PROJECT SCHEDULE AND KEY MILESTONES

LAND ACQUISITION	June 30, 2001
PRELIMINARY SITE WORK	June 30, 2001
CONSTRUCTION	August 1, 2001
CONSTRUCTION COMPLETION	April 30, 2002

PROJECT AREA CALCULATIONS

Basement Floor Area	754	SF Gross
Ground Floor Area	29,724	SF Gross
Second Floor Area	13,033	SF Gross
Third Floor Area	12,610	SF Gross
Total Building Area	55,367	SF Gross
Total Building Area	53,438	SF Net

Basement Floor Area

Common	643	SF Net
Total SF Net	643	

Ground Floor Area

Pool	6,456	SF Net
Gymnasium	7,146	SF Net
Program Spaces	3,976	SF Net
Childcare*	3,561	SF Net
Magistrate Office*	2,314	SF Net
Common	5,069	SF Net
Total SF Net	28,522	

Second Floor Area

Program Spaces	4,912	SF Net
Lease Space*	3,470	SF Net
Common (w/ Atrium)	3,909	SF Net
Total Sf Net	12,291	

Third Floor Area

Lease Space *	10,022	SF Net
Common	1,960	SF Net
Total SF Net	11,982	

*Reflects 19,367 net rentable square feet of space (roughly 23,000 gross square feet) to be leased to outside parties. The Borrower assumes the space will generate an average \$15/GSF rental rate.

Budget (2)

Queenslea Association Project Budget
6118 Penn Avenue
Detroit, Michigan

March 1 2000

	Pre-Const. Total	Const. Period Total	Project Total
A. Sources of Funds			
1. Developer's Equity Grant	270,000		270,000
2. Bank 1st Mtg.	0	1,064,100	1,064,100
3. Redevelopment Fund Soft Loan	0	250,000	250,000
4. State Grants		1,560,000	1,560,000
4. City of Detroit Grant	0	1,040,000	1,040,000
Total Sources:	<u>270,000</u>	<u>3,914,100</u>	<u>4,184,100</u>
B. Uses of Funds			
1. Site Acquisition			
1.1 Purchase Cost	0	25,000	25,000
1.2 Transfer Taxes	0	1,975	1,975
1.3 Settlement	0	750	750
1.4 Appraisal		250	250
1.5 Recording & Misc.	0	125	125
Sub-Total	<u>0</u>	<u>28,100</u>	<u>28,100</u>
2. Construction			
2.1 Site Construction	0	180,000	180,000
2.2 Building Pool/Gym	0	840,000	840,000
2.3 Building Construction	0	1,725,000	1,725,000
2.4 Building Finishing (2nd /3rd floors)	0	540,000	540,000
Sub-Total	<u>0</u>	<u>3,285,000</u>	<u>3,285,000</u>
3. Design & Engineering			
3.1 Approvals & Permits	8,000		8,000
3.2 Survey	2,600	0	2,600
3.3 Sub-Div. Eng. & Relat.	2,000		2,000
3.3 Environmental Survey	6,000	0	6,000
3.3 Storm Water Mamt. Survey	11,000		11,000

Budget (2)

Queenslea Association Project Budget
6118 Penn Avenue
Detroit, Michigan

March 1 2000

	Pre-Const. Total	Const. Period Total	Project Total
4. Legal & Misc. Professional			
4.1 Developer's Legal			
4.1-1 Site Acquisition	0	0	0
4.1-2 Financing & Rel.	0	0	0
4.1-4 Misc.	34,000		34,000
4.2 Audit Services	0	0	0
4.3 Project Appraisal	5,000	0	5,000
Sub-Total	<u>39,000</u>	0	<u>39,000</u>
5. Project Insurance			
5.1 Title Insurance	0	13,000	13,000
5.2 Builder's Risk	0	2,300	2,300
5.3 Owner's Liability		2,200	2,200
Sub-Total	<u>0</u>	<u>17,500</u>	<u>17,500</u>
6. Project Marketing			
6.1 Marketing Materials	0	3,000	3,000
6.2 Project Signage	2,000	0	2,000
6.3 Advertising/Leasing Fee	11,500		11,500
6.4 Mailings	1,000	500	1,500
Sub-Total	<u>14,500</u>	<u>3,500</u>	<u>18,000</u>
7. Interim Property Taxes	0	1,800	1,800
Sub-Total	<u>0</u>	<u>1,800</u>	<u>1,800</u>
8. Interim Financing Costs			
8.1 End Loan Reservation Fee	0	0	0
8.2 Lender Fee - 1st Mtg.	0	11,000	11,000
8.3 State Bridge Loan Fees	0		0
8.4 Lender Legal Cost	0	6,500	6,500
8.5 Recording & Misc.	0	1,500	1,500
Sub-Total	<u>0</u>	<u>19,000</u>	<u>19,000</u>
9. General & Administrative			
9.1 Project Mgt/Developer Fees	40,000	157,000	197,000
Sub-Total	<u>40,000</u>	<u>157,000</u>	<u>197,000</u>
10. Misc. Project Costs		6,075	6,075
Sub-Total	<u>0</u>	<u>6,075</u>	<u>6,075</u>

Budget (2)

Queenslea Association Project Budget
6118 Penn Avenue
Detroit, Michigan

March 1 2000

	Pre-Const. Total	Const. Period Total	Project Total
11. Working Capital	0	0	0
Sub-Total	<u>0</u>	<u>0</u>	<u>0</u>
12. Security	0	5,000	5,000
Sub-Total	<u>0</u>	<u>5,000</u>	<u>5,000</u>
13. Interim Loan Interest			
13.1 Bridge Loan	0		0
13.2 1st Mortgage	0	25,000	25,000
13.3 Other Mortgage	0		0
Sub-Total	<u>0</u>	<u>25,000</u>	<u>25,000</u>
14. Contingencies			
14.1 Contingencies Site	0	74,000	74,000
14.2 Contingencies Construction	0	150,000	150,000
Sub-Total	<u>0</u>	<u>224,000</u>	<u>224,000</u>
SUB-TOTAL	270,100	3,913,975	4,184,075
16. Financing Applications			
16.1 1st Mortg. Pay-Back	0	0	0
16.2 Surplus Rollover	0	0	0
16.3 Surplus at end of project	0	0	0
16.4 Equity Return	0	0	0
16.5 Return on Equity	0	0	0
Sub-Total	0	0	0
TOTAL USES	270,100	3,913,975	4,184,075
SURPLUS/DEFICIT	-100.00	125.00	25.00