



Strengthening
nonprofits and
the communities
they serve.

Sharing a mission of change

Illinois

333 South Wabash Ave.
Suite 2800
Chicago, IL 60604
312 629 0060

Indiana

One Indiana Square
211 North Pennsylvania St.
Suite 2375
Indianapolis, IN 46204
317 860 6900

Michigan

3011 West Grand Blvd.
Suite 1715
Detroit, MI 48202
313 309 7825

Missouri

911 Washington Ave.
Suite 203
St. Louis, MO 63101
314 588 8840

3105 Gillham Road
Suite 200
Kansas City, MO 64109
816 335 4200

Ohio

500 South Front St.
Suite 125
Columbus, OH 43215
614 484 1811

Wisconsin

215 North Water St.
Suite 225
Milwaukee, WI 53202
414 563 1100

Memo to: Deanna Fisher, Executive Director, FutureHeights

From: Jeff Henze, Program Manager, IFF

Subject: Coventry PEACE Campus Draft Operating Pro Forma

Date: November 18, 2019

As part of the Facility Feasibility Analysis prepared on behalf of the Coventry PEACE Campus (Coventry), IFF has developed a financial analysis that projects revenues and expenses over a 10-year period to assist the Coventry planning partners in determining appropriate revenue needs for the acquisition of the facility at 2843 Washington Boulevard, Cleveland Heights, OH. This memorandum summarizes IFF's assumptions and preliminary findings. The associated draft operating pro forma is enclosed as an attachment.

Assumptions

Based on review of the documents provided to IFF by the Coventry partners and current property owner Cleveland Heights/University Heights Libraries, IFF used the following primary assumptions to develop the draft operating pro forma. Year one of the operating budget is assumed to be 2020.

Revenues

- Five models are included in the pro forma, all based on variations of potential lease rates paid by Coventry partners. Included are models based on:
 - Existing tenant lease rates of \$3.50/SF for current partners and higher rate of \$9.00/SF for additional tenants;
 - Higher proposed lease rates of \$4.50/SF for current partners and higher rate of \$12/SF for additional tenants;
 - Breakeven model demonstrating minimum lease rates needed to support expenses
- Tenant square footage reflects proposed space plan provided by IFF.
- All revenue streams are assumed to escalate annually at 2%.
- IFF assumes that Coventry will identify a new building tenant for the spaces formerly held by Family Connections and Urban Oak Academy.

Expenses

- All models include a placeholder for ground lease expense to CH/UH Libraries. At this time, the negotiated rate has yet to be determined.
- Models include an option for a property manager to be contracted for the tasks of lease negotiation/rent collection/facilities management. A cost for property management services is included in the Existing Rates and Increased Lease Rates models. Each model also includes the option for various Coventry PEACE Campus partner tenants to be responsible for property management duties.
- IFF assumes hiring of a site director for day to day on the ground management of the campus. This expense may ultimately fall under the payroll of one of the Coventry partners. Proposed site director salary is based on available market informational sources. Each model also includes an option that the site director is a part time role fully subsidized by a to be determined grant.
- Occupancy expenses – e.g., property insurance, building maintenance, and utilities – are calculated as a per-square-foot cost based on the area of the existing facility and escalated at 3% annually.

Preliminary Findings

- Under the current lease rate model of \$3.50/SF for tenant rent, there is a projected NOI deficit of \$151,025 in Year One. The breakeven model demonstrates a need for lease rates closer to \$9.50/SF in order to cover basic facility operating expenses.
- The Increased Lease Rates model sets existing tenant lease rates at \$4.50/SF, and any new tenant rent at \$12/SF. This model includes assumptions of additional revenue from event space rental and fundraising that would be used to cover the operating deficit. With the elimination of expenses for Site Director and Property Management and added revenue of \$10,000 in Event Space Rental and \$35,000 in additional fundraising, this model demonstrates a surplus of \$22,809 in Year One. This model does not sustain debt service, as it would be expected that any fundraising beyond a breakeven point would be used for Capital Improvements and not to fund debt.



Strengthening
nonprofits and
the communities
they serve.

Sharing a mission of change

As a next step in the financial analysis, IFF will review the draft pro forma and preliminary findings with the Coventry partners to refine revenue and expense assumptions before finalizing the financial model. In the meantime, please contact Jeff Henze at jhenze@iff.org or 313.305.0573 with any questions or comments.

Enclosure:
Draft Operating Pro Forma

Coventry PEACE Campus
Operating Pro Forma-Existing Lease Rates
Washington Blvd, Cleveland Heights, OH

DRAFT

Facility Size (Square Feet)	61,200	Existing Tenant Gross Lease Rate/SF	\$3.5
Revenue Growth Rate	2%	New Tenant Gross Lease Rate/SF	\$9.0
Expense Growth Rate	3%		

	SF	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues [1]											
Future Heights/Reaching Heights Lease	3,240	\$ 11,340	\$ 11,567	\$ 11,798	\$ 12,034	\$ 12,275	\$ 12,520	\$ 12,771	\$ 13,026	\$ 13,287	\$ 13,552
Artful Lease	13,871	\$ 48,549	\$ 49,519	\$ 50,510	\$ 51,520	\$ 52,550	\$ 53,601	\$ 54,673	\$ 55,767	\$ 56,882	\$ 58,020
Ensemble Lease	13,155	\$ 46,043	\$ 46,963	\$ 47,903	\$ 48,861	\$ 49,838	\$ 50,835	\$ 51,851	\$ 52,888	\$ 53,946	\$ 55,025
Family Connections Lease	5,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lake Erie Ink Lease	2,342	\$ 8,197	\$ 8,361	\$ 8,528	\$ 8,699	\$ 8,873	\$ 9,050	\$ 9,231	\$ 9,416	\$ 9,604	\$ 9,796
First Floor Offices Lease	368	\$ 1,288	\$ 1,314	\$ 1,340	\$ 1,367	\$ 1,394	\$ 1,422	\$ 1,450	\$ 1,480	\$ 1,509	\$ 1,539
Available Space for New Tenants[2]	9,568	\$ 86,112	\$ 87,834	\$ 89,591	\$ 91,383	\$ 93,210	\$ 95,075	\$ 96,976	\$ 98,916	\$ 100,894	\$ 102,912
Total Revenues		\$ 201,528	\$ 205,559	\$ 209,670	\$ 213,863	\$ 218,140	\$ 222,503	\$ 226,953	\$ 231,492	\$ 236,122	\$ 240,845
Expenses [1]											
Ground Lease to CHUH Library [3]		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Staff-Site Director		\$ 47,000	\$ 48,410	\$ 49,862	\$ 51,358	\$ 52,899	\$ 54,486	\$ 56,120	\$ 57,804	\$ 59,538	\$ 61,324
Occupancy [4]	Per SF										
Insurance	\$0.50	\$ 30,600	\$ 31,518	\$ 32,464	\$ 33,437	\$ 34,441	\$ 35,474	\$ 36,538	\$ 37,634	\$ 38,763	\$ 39,926
Utilities (Includes electric/gas/water/sewer)	\$2.50	\$ 153,000	\$ 157,590	\$ 162,318	\$ 167,187	\$ 172,203	\$ 177,369	\$ 182,690	\$ 188,171	\$ 193,816	\$ 199,630
Property Management Fee	10%	\$ 20,153	\$ 20,556	\$ 20,967	\$ 21,386	\$ 21,814	\$ 22,250	\$ 22,695	\$ 23,149	\$ 23,612	\$ 24,084
Maintenance, Repairs and Reserves	\$1.50	\$ 91,800	\$ 94,554	\$ 97,391	\$ 100,312	\$ 103,322	\$ 106,421	\$ 109,614	\$ 112,902	\$ 116,289	\$ 119,778
Total Expenses		\$ 352,553	\$ 362,628	\$ 373,001	\$ 383,681	\$ 394,678	\$ 406,000	\$ 417,658	\$ 429,661	\$ 442,019	\$ 454,743
Summary											
Total Revenues	\$ -	\$ 201,528	\$ 205,559	\$ 209,670	\$ 213,863	\$ 218,140	\$ 222,503	\$ 226,953	\$ 231,492	\$ 236,122	\$ 240,845
Total Expenses	\$ -	\$ 352,553	\$ 362,628	\$ 373,001	\$ 383,681	\$ 394,678	\$ 406,000	\$ 417,658	\$ 429,661	\$ 442,019	\$ 454,743
Net Operating Income	\$ -	\$ (151,025)	\$ (157,069)	\$ (163,331)	\$ (169,818)	\$ (176,538)	\$ (183,497)	\$ (190,705)	\$ (198,168)	\$ (205,897)	\$ (213,899)

[1] Revenue and non-occupancy expenses provided by Coventry, unless otherwise noted. Assumes gross lease for all tenants.
[2] Assumes new tenant identified for space pays higher lease rates. Includes SF formerly held by Urban Oak and Family Connections
[3] Ground lease yet to be negotiated, rate listed is a placeholder until negotiations are complete.
[4] Occupancy cost estimates are based on IFF's in-house data, research, and any conditions of occupancy presented to IFF.

Coventry PEACE Campus
Operating Pro Forma-Existing Lease Rates-No Additional Staffing
Washington Blvd, Cleveland Heights, OH

DRAFT

Facility Size (Square Feet)	61,200	Existing Tenant Gross Lease Rate/SF	\$3.5
Revenue Growth Rate	2%	New Tenant Gross Lease Rate/SF	\$9.0
Expense Growth Rate	3%		

	SF	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues [1]											
Future Heights/Reaching Heights Lease	3,240	\$ 11,340	\$ 11,567	\$ 11,798	\$ 12,034	\$ 12,275	\$ 12,520	\$ 12,771	\$ 13,026	\$ 13,287	\$ 13,552
Artful Lease	13,871	\$ 48,549	\$ 49,519	\$ 50,510	\$ 51,520	\$ 52,550	\$ 53,601	\$ 54,673	\$ 55,767	\$ 56,882	\$ 58,020
Ensemble Lease	13,155	\$ 46,043	\$ 46,963	\$ 47,903	\$ 48,861	\$ 49,838	\$ 50,835	\$ 51,851	\$ 52,888	\$ 53,946	\$ 55,025
Family Connections Lease	5,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lake Erie Ink Lease	2,342	\$ 8,197	\$ 8,361	\$ 8,528	\$ 8,699	\$ 8,873	\$ 9,050	\$ 9,231	\$ 9,416	\$ 9,604	\$ 9,796
First Floor Offices Lease	368	\$ 1,288	\$ 1,314	\$ 1,340	\$ 1,367	\$ 1,394	\$ 1,422	\$ 1,450	\$ 1,480	\$ 1,509	\$ 1,539
Available Space for New Tenants[2]	9,568	\$ 86,112	\$ 87,834	\$ 89,591	\$ 91,383	\$ 93,210	\$ 95,075	\$ 96,976	\$ 98,916	\$ 100,894	\$ 102,912
Total Revenues		\$ 201,528	\$ 205,559	\$ 209,670	\$ 213,863	\$ 218,140	\$ 222,503	\$ 226,953	\$ 231,492	\$ 236,122	\$ 240,845
Expenses [1]											
Ground Lease to CHUH Library [3]		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Staff-Part Time Site Director [4]		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Occupancy [5]	Per SF										
Insurance	\$0.50	\$ 30,600	\$ 31,518	\$ 32,464	\$ 33,437	\$ 34,441	\$ 35,474	\$ 36,538	\$ 37,634	\$ 38,763	\$ 39,926
Utilities (Includes electric/gas/water/sewer)	\$2.50	\$ 153,000	\$ 157,590	\$ 162,318	\$ 167,187	\$ 172,203	\$ 177,369	\$ 182,690	\$ 188,171	\$ 193,816	\$ 199,630
Property Management Fee[6]	10%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance, Repairs and Reserves	\$1.50	\$ 91,800	\$ 94,554	\$ 97,391	\$ 100,312	\$ 103,322	\$ 106,421	\$ 109,614	\$ 112,902	\$ 116,289	\$ 119,778
Total Expenses		\$ 285,400	\$ 293,662	\$ 302,172	\$ 310,937	\$ 319,965	\$ 329,264	\$ 338,842	\$ 348,707	\$ 358,868	\$ 369,335
Summary											
Total Revenues	\$ -	\$ 201,528	\$ 205,559	\$ 209,670	\$ 213,863	\$ 218,140	\$ 222,503	\$ 226,953	\$ 231,492	\$ 236,122	\$ 240,845
Total Expenses	\$ -	\$ 285,400	\$ 293,662	\$ 302,172	\$ 310,937	\$ 319,965	\$ 329,264	\$ 338,842	\$ 348,707	\$ 358,868	\$ 369,335
Net Operating Income	\$ -	\$ (83,872)	\$ (88,103)	\$ (92,502)	\$ (97,074)	\$ (101,825)	\$ (106,761)	\$ (111,889)	\$ (117,215)	\$ (122,746)	\$ (128,490)

[1] Revenue and non-occupancy expenses provided by Coventry and CH/UH Libraries, unless otherwise noted. Assumes gross lease for all tenants at lease rates suggested as feasible by Coventry. Event Space Rental rates determined by client.

[2] Assumes new tenant identified for space pays higher lease rates. Includes SF formerly held by Urban Oak and Family Connections

[3] Ground lease yet to be negotiated, rate listed is a placeholder until negotiations are complete.

[4] Assumes salary for part time Director is fully offset by a TBD grant or services performed by tenants.

[5] Occupancy cost estimates are based on IFF's in-house data, research, and any conditions of occupancy presented to IFF.

[6] Per client, Property Management services to be performed by tenants.

Coventry PEACE Campus
Operating Pro Forma-Client Proposed Model w/Staffing
Washington Blvd, Cleveland Heights, OH

DRAFT

Facility Size (Square Feet)	61,200	Existing Tenant Gross Lease Rate/SF	\$4.5
Revenue Growth Rate	2%	New Tenant Gross Lease Rate/SF	\$12.0
Expense Growth Rate	3%		

	SF	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues [1]											
Future Heights/Reaching Heights Lease	3,240	\$ 14,580	\$ 14,872	\$ 15,169	\$ 15,472	\$ 15,782	\$ 16,097	\$ 16,419	\$ 16,748	\$ 17,083	\$ 17,424
Artful Lease	13,871	\$ 62,420	\$ 63,668	\$ 64,941	\$ 66,240	\$ 67,565	\$ 68,916	\$ 70,294	\$ 71,700	\$ 73,134	\$ 74,597
Ensemble Lease	13,155	\$ 59,198	\$ 60,381	\$ 61,589	\$ 62,821	\$ 64,077	\$ 65,359	\$ 66,666	\$ 67,999	\$ 69,359	\$ 70,746
Family Connections Lease	5,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lake Erie Ink Lease	2,342	\$ 10,539	\$ 10,750	\$ 10,965	\$ 11,184	\$ 11,408	\$ 11,636	\$ 11,869	\$ 12,106	\$ 12,348	\$ 12,595
First Floor Offices Lease	368	\$ 1,656	\$ 1,689	\$ 1,723	\$ 1,757	\$ 1,793	\$ 1,828	\$ 1,865	\$ 1,902	\$ 1,940	\$ 1,979
Available Space for New Tenants[2]	9,568	\$ 114,816	\$ 117,112	\$ 119,455	\$ 121,844	\$ 124,281	\$ 126,766	\$ 129,301	\$ 131,887	\$ 134,525	\$ 137,216
Event Space Rental Revenue		\$ 15,000	\$ 15,300	\$ 15,606	\$ 15,918	\$ 16,236	\$ 16,561	\$ 16,892	\$ 17,230	\$ 17,575	\$ 17,926
Fundraising Revenue Target		\$ 100,000	\$ 102,000	\$ 104,040	\$ 106,121	\$ 108,243	\$ 110,408	\$ 112,616	\$ 114,869	\$ 117,166	\$ 119,509
Total Revenues		\$ 378,209	\$ 385,772	\$ 393,488	\$ 401,357	\$ 409,385	\$ 417,572	\$ 425,924	\$ 434,442	\$ 443,131	\$ 451,994
Expenses [1]											
Ground Lease to CHUH Library [3]		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Staff-Site Director		\$ 47,000	\$ 48,410	\$ 49,862	\$ 51,358	\$ 52,899	\$ 54,486	\$ 56,120	\$ 57,804	\$ 59,538	\$ 61,324
Occupancy [4]	Per SF										
Insurance	\$0.50	\$ 30,600	\$ 31,518	\$ 32,464	\$ 33,437	\$ 34,441	\$ 35,474	\$ 36,538	\$ 37,634	\$ 38,763	\$ 39,926
Utilities (Includes electric/gas/water/sewer)	\$2.50	\$ 153,000	\$ 157,590	\$ 162,318	\$ 167,187	\$ 172,203	\$ 177,369	\$ 182,690	\$ 188,171	\$ 193,816	\$ 199,630
Property Management Fee	10%	\$ 26,321	\$ 26,847	\$ 27,384	\$ 27,932	\$ 28,490	\$ 29,060	\$ 29,641	\$ 30,234	\$ 30,839	\$ 31,456
Maintenance, Repairs and Reserves	\$1.50	\$ 91,800	\$ 94,554	\$ 97,391	\$ 100,312	\$ 103,322	\$ 106,421	\$ 109,614	\$ 112,902	\$ 116,289	\$ 119,778
Total Expenses		\$ 358,721	\$ 368,919	\$ 379,418	\$ 390,227	\$ 401,355	\$ 412,810	\$ 424,604	\$ 436,746	\$ 449,246	\$ 462,115
Summary											
Total Revenues	\$ -	\$ 378,209	\$ 385,772	\$ 393,488	\$ 401,357	\$ 409,385	\$ 417,572	\$ 425,924	\$ 434,442	\$ 443,131	\$ 451,994
Total Expenses	\$ -	\$ 358,721	\$ 368,919	\$ 379,418	\$ 390,227	\$ 401,355	\$ 412,810	\$ 424,604	\$ 436,746	\$ 449,246	\$ 462,115
Net Operating Income	\$ -	\$ 19,488	\$ 16,853	\$ 14,069	\$ 11,130	\$ 8,030	\$ 4,762	\$ 1,320	\$ (2,304)	\$ (6,115)	\$ (10,121)

[1] Revenue and non-occupancy expenses provided by Coventry and CH/UH Libraries, unless otherwise noted. Assumes gross lease for all tenants at lease rates suggested as feasible by Coventry. Event Space Rental rates determined by client.

[2] Assumes new tenant identified for space pays higher lease rates. Includes SF formerly held by Urban Oak and Family Connections

[3] Ground lease yet to be negotiated, rate listed is a placeholder until negotiations are complete.

[4] Occupancy cost estimates are based on IFF's in-house data, research, and any conditions of occupancy presented to IFF.

Coventry PEACE Campus
Operating Pro Forma-Client Proposed Model
Washington Blvd, Cleveland Heights, OH

DRAFT

Facility Size (Square Feet)	61,200	Existing Tenant Gross Lease Rate/SF	\$4.5
Revenue Growth Rate	2%	New Tenant Gross Lease Rate/SF	\$12.0
Expense Growth Rate	3%		

	SF	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues [1]											
Future Heights/Reaching Heights Lease	3,240	\$ 14,580	\$ 14,872	\$ 15,169	\$ 15,472	\$ 15,782	\$ 16,097	\$ 16,419	\$ 16,748	\$ 17,083	\$ 17,424
Artful Lease	13,871	\$ 62,420	\$ 63,668	\$ 64,941	\$ 66,240	\$ 67,565	\$ 68,916	\$ 70,294	\$ 71,700	\$ 73,134	\$ 74,597
Ensemble Lease	13,155	\$ 59,198	\$ 60,381	\$ 61,589	\$ 62,821	\$ 64,077	\$ 65,359	\$ 66,666	\$ 67,999	\$ 69,359	\$ 70,746
Family Connections Lease	5,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lake Erie Ink Lease	2,342	\$ 10,539	\$ 10,750	\$ 10,965	\$ 11,184	\$ 11,408	\$ 11,636	\$ 11,869	\$ 12,106	\$ 12,348	\$ 12,595
First Floor Offices Lease	368	\$ 1,656	\$ 1,689	\$ 1,723	\$ 1,757	\$ 1,793	\$ 1,828	\$ 1,865	\$ 1,902	\$ 1,940	\$ 1,979
Available Space for New Tenants[2]	9,568	\$ 114,816	\$ 117,112	\$ 119,455	\$ 121,844	\$ 124,281	\$ 126,766	\$ 129,301	\$ 131,887	\$ 134,525	\$ 137,216
Event Space Rental Revenue		\$ 10,000	\$ 10,200	\$ 10,404	\$ 10,612	\$ 10,824	\$ 11,041	\$ 11,262	\$ 11,487	\$ 11,717	\$ 11,951
Fundraising Revenue Target		\$ 35,000	\$ 35,700	\$ 36,414	\$ 37,142	\$ 37,885	\$ 38,643	\$ 39,416	\$ 40,204	\$ 41,008	\$ 41,828
Total Revenues		\$ 308,209	\$ 314,372	\$ 320,660	\$ 327,073	\$ 333,614	\$ 340,287	\$ 347,092	\$ 354,034	\$ 361,115	\$ 368,337
Expenses [1]											
Ground Lease to CHUH Library [3]		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Staff-Part Time Site Director [4]		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Occupancy [5]	Per SF										
Insurance	\$0.50	\$ 30,600	\$ 31,518	\$ 32,464	\$ 33,437	\$ 34,441	\$ 35,474	\$ 36,538	\$ 37,634	\$ 38,763	\$ 39,926
Utilities (Includes electric/gas/water/sewer)	\$2.50	\$ 153,000	\$ 157,590	\$ 162,318	\$ 167,187	\$ 172,203	\$ 177,369	\$ 182,690	\$ 188,171	\$ 193,816	\$ 199,630
Property Management Fee [6]	10%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance, Repairs and Reserves	\$1.50	\$ 91,800	\$ 94,554	\$ 97,391	\$ 100,312	\$ 103,322	\$ 106,421	\$ 109,614	\$ 112,902	\$ 116,289	\$ 119,778
Total Expenses		\$ 285,400	\$ 293,662	\$ 302,172	\$ 310,937	\$ 319,965	\$ 329,264	\$ 338,842	\$ 348,707	\$ 358,868	\$ 369,335
Summary											
Total Revenues	\$ -	\$ 308,209	\$ 314,372	\$ 320,660	\$ 327,073	\$ 333,614	\$ 340,287	\$ 347,092	\$ 354,034	\$ 361,115	\$ 368,337
Total Expenses	\$ -	\$ 285,400	\$ 293,662	\$ 302,172	\$ 310,937	\$ 319,965	\$ 329,264	\$ 338,842	\$ 348,707	\$ 358,868	\$ 369,335
Net Operating Income	\$ -	\$ 22,809	\$ 20,710	\$ 18,488	\$ 16,136	\$ 13,649	\$ 11,022	\$ 8,250	\$ 5,327	\$ 2,246	\$ (997)

[1] Revenue and non-occupancy expenses provided by Coventry and CH/UH Libraries, unless otherwise noted. Assumes gross lease for all tenants at lease rates suggested as feasible by Coventry. Event Space Rental rates determined by client.

[2] Assumes new tenant identified for space pays higher lease rates. Includes SF formerly held by Urban Oak and Family Connections

[3] Ground lease yet to be negotiated, rate listed is a placeholder until negotiations are complete.

[4] Assumes salary for part time Director is fully offset by a TBD grant or services are performed by tenants.

[5] Occupancy cost estimates are based on IFF's in-house data, research, and any conditions of occupancy presented to IFF.

[6] Per client, Property Management services to be performed by tenants.

Coventry PEACE Campus
Operating Pro Forma-Breakeven Model
Washington Blvd, Cleveland Heights, OH

DRAFT

Facility Size (Square Feet)	61,200	Gross Lease Rate/SF	\$9.5
Revenue Growth Rate	2%		
Expense Growth Rate	3%		

	SF	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues [1]											
Future Heights/Reaching Heights Lease	3,240	\$ 30,780	\$ 31,396	\$ 32,024	\$ 32,664	\$ 33,317	\$ 33,984	\$ 34,663	\$ 35,357	\$ 36,064	\$ 36,785
Artful Lease	13,871	\$ 131,775	\$ 134,410	\$ 137,098	\$ 139,840	\$ 142,637	\$ 145,490	\$ 148,399	\$ 151,367	\$ 154,395	\$ 157,483
Ensemble Lease	13,155	\$ 124,973	\$ 127,472	\$ 130,021	\$ 132,622	\$ 135,274	\$ 137,980	\$ 140,739	\$ 143,554	\$ 146,425	\$ 149,354
Family Connections Lease	5,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lake Erie Ink Lease	2,342	\$ 22,249	\$ 22,694	\$ 23,148	\$ 23,611	\$ 24,083	\$ 24,565	\$ 25,056	\$ 25,557	\$ 26,068	\$ 26,590
First Floor Offices Lease	368	\$ 3,496	\$ 3,566	\$ 3,637	\$ 3,710	\$ 3,784	\$ 3,860	\$ 3,937	\$ 4,016	\$ 4,096	\$ 4,178
Available Space for New Tenants[2]	9,568	\$ 90,896	\$ 92,714	\$ 94,568	\$ 96,460	\$ 98,389	\$ 100,357	\$ 102,364	\$ 104,411	\$ 106,499	\$ 108,629
Total Revenues		\$ 404,168	\$ 412,251	\$ 420,496	\$ 428,906	\$ 437,484	\$ 446,234	\$ 455,159	\$ 464,262	\$ 473,547	\$ 483,018
Expenses [1]											
Ground Lease to CHUH Library [3]		\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Staff-Site Director		\$ 47,000	\$ 48,410	\$ 49,862	\$ 51,358	\$ 52,899	\$ 54,486	\$ 56,120	\$ 57,804	\$ 59,538	\$ 61,324
Occupancy [4]	Per SF										
Insurance	\$0.50	\$ 30,600	\$ 31,518	\$ 32,464	\$ 33,437	\$ 34,441	\$ 35,474	\$ 36,538	\$ 37,634	\$ 38,763	\$ 39,926
Utilities (Includes electric/gas/water/sewer)	\$2.50	\$ 153,000	\$ 157,590	\$ 162,318	\$ 167,187	\$ 172,203	\$ 177,369	\$ 182,690	\$ 188,171	\$ 193,816	\$ 199,630
Property Management Fee	10%	\$ 40,417	\$ 41,629	\$ 42,878	\$ 44,165	\$ 45,489	\$ 46,854	\$ 48,260	\$ 49,708	\$ 51,199	\$ 52,735
Maintenance, Repairs and Reserves	\$1.50	\$ 91,800	\$ 94,554	\$ 97,391	\$ 100,312	\$ 103,322	\$ 106,421	\$ 109,614	\$ 112,902	\$ 116,289	\$ 119,778
Total Expenses		\$ 372,817	\$ 383,701	\$ 394,912	\$ 406,460	\$ 418,354	\$ 430,604	\$ 443,222	\$ 456,219	\$ 469,605	\$ 483,394
Summary											
Total Revenues	\$ -	\$ 404,168	\$ 412,251	\$ 420,496	\$ 428,906	\$ 437,484	\$ 446,234	\$ 455,159	\$ 464,262	\$ 473,547	\$ 483,018
Total Expenses	\$ -	\$ 372,817	\$ 383,701	\$ 394,912	\$ 406,460	\$ 418,354	\$ 430,604	\$ 443,222	\$ 456,219	\$ 469,605	\$ 483,394
Net Operating Income (Before Debt Service)	\$ -	\$ 31,351	\$ 28,550	\$ 25,584	\$ 22,447	\$ 19,131	\$ 15,630	\$ 11,937	\$ 8,043	\$ 3,942	\$ (375)

[1] Revenue and non-occupancy expenses provided by Coventry, unless otherwise noted. Assumes gross lease for all tenants.
[2] Assumes new tenant identified for space pays higher lease rates. Includes SF formerly held by Urban Oak and Family Connections
[3] Ground lease yet to be negotiated, rate listed is a placeholder until negotiations are complete.
[4] Occupancy cost estimates are based on IFF's in-house data, research, and any conditions of occupancy presented to IFF.