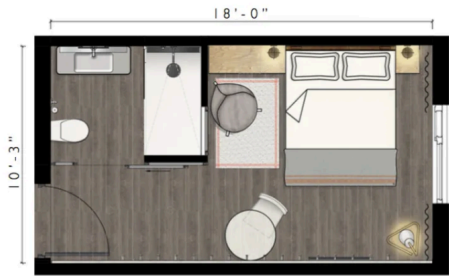


Development Overview: 278 S Glenwood Ave, Columbus, OH 43223

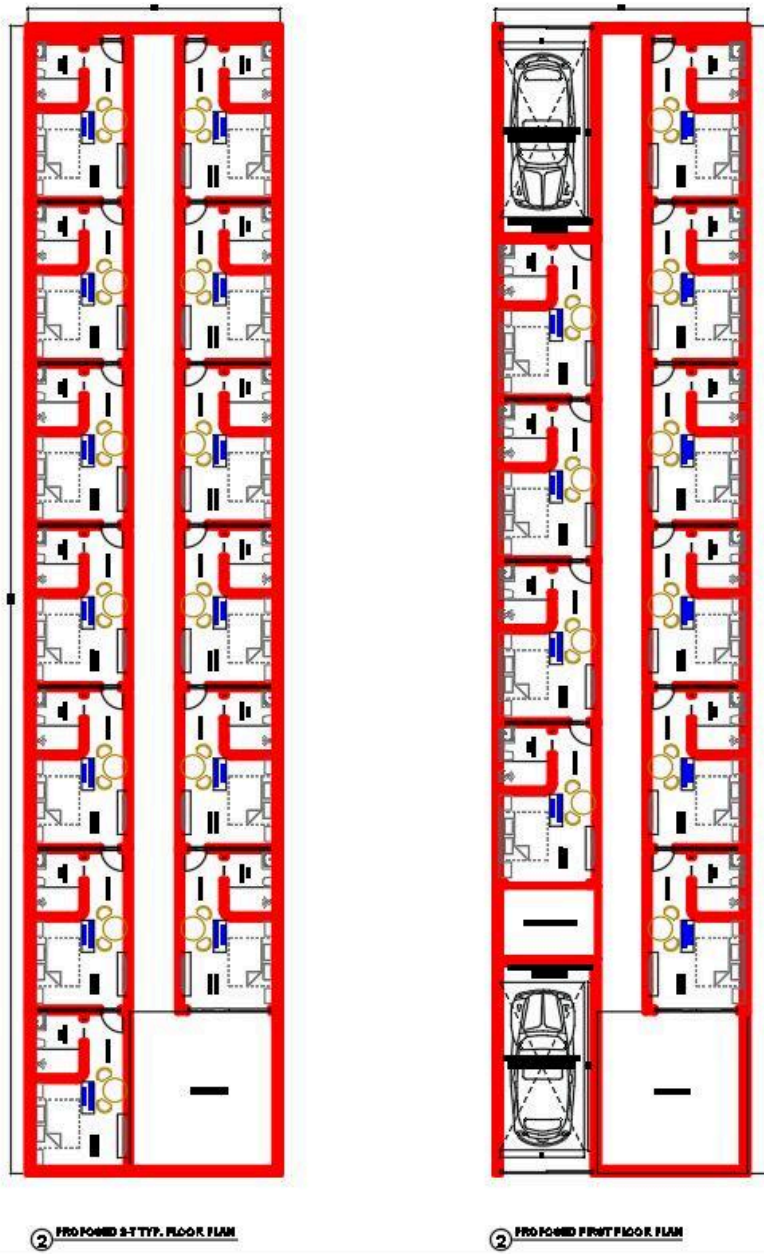


Moxy hotel room rendering.

150 sq ft example hotel room, 13 per floor



Example Parking Tower System



Project Overview

We propose the development of a 7-story hotel at 278 S Glenwood Ave, Franklinton, Columbus, OH. This project optimizes by-right development standards to achieve the highest and best use without rezoning. Potential BZA variance depending on parking layouts may be necessary. Pink Development and Construction LLC owns the land and hotel use is a permitted use within a manufacturing district. We are seeking preliminary equity partnerships with experienced hotel developers or equity groups for this urban core adjacent asset. A strong general partner with a track record is what we are seeking with experience raising equity.

Key Project Details:

- **Location:** 278 S Glenwood Ave, Columbus, OH 43223
- **Building Footprint:** 27' x 123'
- **Total Floor Area:** Approximately 22,350 sq ft
- **Number of Floors:** 7 (including one bonus floor with height exemption)
- **Hotel Rooms:** Up to 78
- **Parking Requirements:** 1 Parking Space Per Room Up to 78 Spaces Below Grade. Parking Reduction and Parking Study already performed. Reduction to 0 could be supported if necessary.

Development Components:

1. Building Design:

- **Footprint:**
 - **Floors 1-6:** 27' x 123' = 3,321 sq ft per floor
 - **7th Floor (Stepback Adjusted):** 13' x 103' = 1,339 sq ft
- **Total Above Grade Area:**
 - **Floors 1-6:** 6 stories x 3,321 sq ft = 19,926 sq ft
 - **7th Floor:** 1,339 sq ft
 - **Total Above Grade Area:** 19,926 sq ft + 1,339 sq ft = 21,265 sq ft

2. Gross Leasable Area Calculation:

- **65% of Total Above Grade Area:** 65% of 21,265 sq ft = 13,824.25 sq ft

3. Number of Rooms:

- **Room Size:** 177 sq ft per room
- **Total Number of Rooms:** 13,824.25 sq ft / 177 sq ft per room ≈ 78 rooms

4. Parking System:

- **Parking Requirement:** One parking space per room
- **Total Parking Area Required:** 78 rooms x 180 sq ft per space = 14,040 sq ft
- **Automated Parking System:** The parking system will be fully automated, designed in collaboration with the structural engineering team. Due to the single drive access point from the alley, the parking system will include turntables to facilitate efficient vehicle management.
- **Number of Turntables Required:** Two turntables, based on the requirement of one per 50-60 rooms.
- **Parking Configuration:** 6 stories below grade to accommodate the required parking area, off street parking off site, or on street with parking reduction are all possible configurations.

5. Construction and Costs:

- **Hotel Build-Out (Above Grade):** \$275 per sq ft
- **Below Grade Build-Out:** \$100 per sq ft
- **Total Build-Out Cost:**
 - **Above Grade:**
 - 6 stories = 19,926 sq ft x \$275 = \$5,482,650
 - 7th floor = 1,339 sq ft x \$275 = \$368,225

- **Below Grade:**
 - 18,000 sq ft x \$100 = \$1,800,000
 - **Engineering and Architecture Costs:** \$350,000
 - **Land and Entitlements:** \$150,000
 - **Total Construction Costs:** \$5,482,650 + \$368,225 + \$1,800,000 + \$350,000 + \$150,000 = \$7,150,875

Equity and Investment Structure

Class A Shares:

- **Initial Investment:** \$225,000
- **Land Entitlement Basis (You and Your Partner):** \$150,000
- **Total Class A Investment:** \$375,000
- **Guaranteed Return:** 100% return in 75 days
- **Annualized IRR:** Approximately 483%
- **Total Equity Reserved (Including Returns):** \$750,000

Class B Shares:

- **Investment:** \$7,000,000
- **Guaranteed Return:** 40% return over 10 months
- **Annualized IRR:** Approximately 63%
- **Total Equity Reserved (Including Returns):** \$9,800,000

Class C Shares (General Partners):

- **Total Equity Reserved:** Capped at \$3,000,000
- **Remaining Equity:** \$14,852,667, (Appraised Value) - \$10,550,000 (Class A and B Equity Reserved) - \$3,000,000 (Class C Capped) = \$1,302,667
- **General Partner Equity:** Includes remaining capital and any additional returns beyond Class A and B payouts
- **Stabilization Payout:** Paid out over 3 months post-construction, with each sponsor group receiving 1/3 of the total payout each month

Financial Modeling and Asset Valuation

1. **Total Asset Value (Post-Stabilization):** \$14,852,667
 - **Cap Rate (Based on Market Data):** 7.5% (for hotels in the Franklinton area)
2. **Blended Return Target:**
 - **Class A Shares Return:** 100% return in 75 days (IRR of approximately 483%)
 - **Class B Shares Return:** 40% return over 10 months (IRR of approximately 63%)

- **Class C Shares Return (General Partners):** Equity capped at \$3,000,000, with remaining equity reserved for future payouts
- 3. **Overall Return on Investment:**
 - **Blended Return Across All Stages:** Low 30%
 - **Target Annualized Return:** Low 20% for all equity
- 4. **Detailed Return Breakdown:**
 - **Class A Returns:**
 - **Total Investment:** \$375,000
 - **Total Equity Reserved (Including Returns):** \$750,000
 - **Guaranteed Return:** 100% in 75 days
 - **Annualized IRR:** Approximately 483%
 - **Class B Returns:**
 - **Total Investment:** \$7,000,000
 - **Total Equity Reserved (Including Returns):** \$9,800,000
 - **Guaranteed Return:** 40% in 10 months
 - **Annualized IRR:** Approximately 63%
 - **Class C Returns (General Partners):**
 - **Equity Capped:** \$3,000,000
 - **Remaining Equity for Future Ownership Payouts:** \$1,302,667
 - **Stabilization Payout:** Paid out over 3 months post-construction, with each sponsor group receiving 1/3 of the total payout each month

Milestones and Fundraising

1. **Milestone 1 - Tokenization and Initial Raise:**
 - **Objective:** Secure \$375,000 for Class A shares and \$75,000 for preliminary site plan and engineering.
 - **Target Return:** 100% return in 75 days.
2. **Milestone 2 - Construction Funding:**
 - **Objective:** Raise \$7,000,000 for Class B shares to cover construction costs and associated returns.
 - **Target Return:** 40% return over 10 months.
3. **Milestone 3 - Total Development Costs and Final Funding:**
 - **Objective:** Raise the total asset value including all development costs, with remaining equity for Class C shares and general partners.
 - **Ongoing Return:** Approximately 12% for long-term ownership.
4. **Total Capital Requirement:**
 - **Class A and B Investment Total:** \$7,375,000
 - **Total Required Capital (Including Construction and Development Costs):** \$14,852,667
 - **Reserved for Long-Term Ownership:** \$1,500,000 (15% of year 1 stabilized value)

Investment Returns and Equity Distribution

1. **Class A Shares:**
 - **Total Investment:** \$375,000
 - **Total Equity Reserved (Including Returns):** \$750,000
 - **Return:** 100% in 75 days
 - **Annualized IRR:** Approximately 483%
2. **Class B Shares:**
 - **Total Investment:** \$7,000,000
 - **Total Equity Reserved (Including Returns):** \$9,800,000
 - **Return:** 40% in 10 months
 - **Annualized IRR:** Approximately 63%
3. **Class C Shares (General Partners):**
 - **Total Remaining Equity:** \$3,000,000 (Capped)
 - **General Partners' Share:** 3 equal sponsor groups
 - **Stabilization Payout:** Paid out over 3 months post-construction, with each sponsor group receiving 1/3 of the total payout each month
4. **Blended Return:**
 - **Overall Investment Return:** Low 30%
 - **General Partner Returns:** Any excess returns beyond Class A and B payouts

Next Steps

1. **Preliminary Site Plan Review:**
 - **Initial Cost:** \$3,500 (offshore architect)
 - **Follow-Up Engineering and Final Site Compliance Plan:** \$75,000
2. **Engineering Review and Renderings:**
 - **Further Engineering and Preliminary Site Plan:** Approx. \$2,500
 - **Renderings (if required):** \$1,000
3. **Appraisal and Final Approvals:**
 - **Cost:** \$3,000
 - **Completion Time:** Approximately 1 month
4. **Target Break Ground Date:** March 2025

Management of Returns:

- **Equity Reserved:** Returns for Class A and B shareholders will be set aside in a trust account managed by a controller, based on the operating agreement.
- **Distribution:** Payments to Class A and B shareholders are released as milestones are achieved.

Appraisal: Valuation Methodology and Assumptions

Asset Value Calculation:

- **Average Daily Rate (ADR):** \$100
- **Occupancy Rate:** 65%
- **Expense Ratio:** 50%
- **Net Operating Income (NOI):** \$1,113,950
- **Market Cap Rate:** 7.5%
- **Asset Value:** \$14,852,667

Equity Calculation:

- **Total Equity:** \$7,701,792
- **Equity as a Percentage of Asset Value:** 51.8%

Valuation Metrics:

- **Exit Price Per Room:** \$161,006
- **Exit Price Per Gross Leasable Square Foot:** \$1,074

General Sponsor / General Partner Information



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