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COMMERCIAL REAL ESTATE

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## **2022 BUSINESS PLAN**

### ***AC City Center Lenexa***



## PROPERTY PROFILE

<b>Property Name:</b>	Hampton Building
<b>Property Legal Name:</b>	AC City Center Lenexa, LLC
<b>Address:</b>	8800 Renner Blvd, Lenexa, KS 66219
<b>Description:</b>	2 floors, 18,863 RSF (10,566 RSF office, 8,297 RSF retail)
<b>Debt:</b>	\$4,104,000 (estimated 1/1/22), 10 year note (Oct 2018 - Oct 2028), 4.90% interest, 25 year amortization, balloon payment unknown until principal payments commence
<b>Major Investors (%):</b>	CAMS V (50%), Jon, Keith, James Copaken (16.667% each)
<b>TIF/CID/Other</b>	TIF, CID

## 2021 ACTUALS & 2022 BUDGET

### Key Opportunities & Challenges

Key Opportunities	Key Challenges
<b>2021</b>	
<ul style="list-style-type: none"> <li>Kiewit is moving around 200 associates from a building south of 95<sup>th</sup> Street to the City Center Lenexa campus by year end bringing potential new customers to Hampton tenants</li> </ul>	<ul style="list-style-type: none"> <li>There are still unknowns with the pandemic and future variants of Covid and how municipalities will restrict gatherings</li> </ul>
<b>2022</b>	
<ul style="list-style-type: none"> <li>Martin City Brewery will be built out and begin paying rent and draw more traffic to City Center Lenexa</li> </ul>	<ul style="list-style-type: none"> <li>Parking will be tight when Martin City Brewery is busy and Saints is busy. We may have to reserve a couple of parking spaces for Advent Health and Academy Bank in the future</li> </ul>

### Key Financial Projections

Metric	2022 Budget	Variance – 2022 Budget/ 2021 Reforecast	2021 Reforecast (as of 9/30)	Variance – 2021 Reforecast/ 2021 Budget	2021 Budget	2020 Actual
<b>Occupancy (EOY)</b>	100%	31%	69%	-	69%	13%
<b>NOI (1)</b>	360,327	270,847	89,480	(61,721)	151,201	(19,828)
<b>Cash Flow Generated</b>	11,851	(81,798)	93,649	24,796	68,853	(36,880)
<b>Distributions (3)</b>	50,000	50,000	-	-	-	-
<b>Contributions</b>	-	-	-	-	-	125,000
<b>Valuation at 6.5% (1) (2)</b>	5,543,492	N/A	N/A	N/A	N/A	N/A
<b>Debt</b>	(4,406,350)	(302,350)	(4,104,000)	414,558	(4,518,558)	(3,826,585)
<b>Investment (4)</b>	6,085,554					
<b>Equity (1) (2)</b>	1,137,412	N/A	N/A	N/A	N/A	N/A

- (1) NOI only includes 8 months of rental income from new tenant Martin City Brewing.
- (2) Property was not stabilized in 2020 and 2021. Thus, valuation and equity not calculated.
- (3) Reserving \$10,000 cash for Area A marketing/development.
- (4) Includes Area A land (4.5 acres) at \$10/ SF

### Leasing

Tenant/Suite	2022		2021		
	New SF (%)	Renewal (%)	New SF (%)	Renewal (%)	Expired (%)
<b>Total Leased SF</b>	5,842 (31%)	0 (0%)	10,566 (55%)	0 (0%)	0 (0%)
<b>Leases</b>	1	0	1	0	0
<b>Avg Rent \$/SF</b>	26.00	--	22.00	--	--
<b>Avg TI \$/SF</b>	57.28	--	25.00	--	--

**Side Charge History**

Metric	2022 Budget	Variance – 2022 Budget/ 2021 Reforecast	2021 Reforecast (as of 9/30)	Variance – 2021 Reforecast/ 2021 Budget	2021 Budget	2020 Actual
Opex/Management Fee	91,329	(10,075)	101,404	19,758	81,646	49,705
Real Estate Taxes	114,134	38,797	73,350	(7,075)	66,275	26,974
<b>Total Operating Expense</b>	<b>205,462</b>	<b>30,709</b>	<b>174,753</b>	<b>25,147</b>	<b>149,606</b>	<b>76,678</b>
<b>Total Net RSF</b>	19,094					
<b>Total Opex per RSF</b>	10.66	1.50	9.15	0.66	7.75	4.02

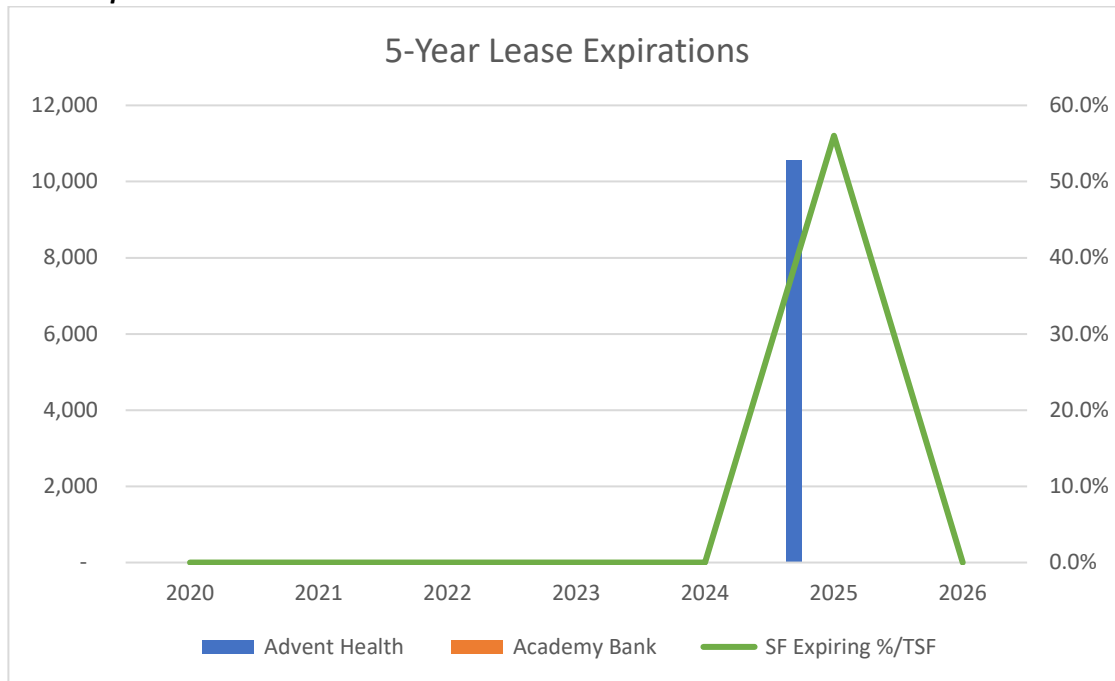
**Capital Improvements**

Project	2022		2021			
	Budget		Reforecast (as of 9/30)		Budget	
	Owner/ Capital	Building/ Operating	Owner/ Capital	Building/ Operating	Owner/ Capital	Building/ Operating
None planned at this time						
<b>TOTAL \$</b>						

**Asset Strategy**

- Plan – continue to develop Restaurant Row and remaining vacant land. We may directly develop or sell pad sites.
- With the Hampton Building fully leased, we will look to refinance the debt to get better terms.

**Lease Expirations**



**Lease TSF Expirations (% of TSF)**

2022	2023	2024	2025	2026
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0 (0%)	0 (0%)	0 (0%)	10,566 (55%)	0 (0%)
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**Capital Improvement \$**

Project	2023		2024		2025		2026	
	Owner/ Capital	Building/ Operating	Owner/ Capital	Building/ Operating	Owner/ Capital	Building/ Operating	Owner/ Capital	Building/ Operating
None planned								
<b>Total</b>								

**2022 Financial Budget**

- Annual Summary Budget Statement of Changes in Cash Balance
- Annual Detailed Budget Income Statement

## Original Budget Statement of Changes in Cash Balance

AC City Center Lenexa, LLC

Accrual

For Period Ending: Dec 2022

Entities Include: ('263000', '263100')

Report includes an open period. Entries are not final.

Account #	Account Name	2022 Original Budget	2021 Reforecast	Variance	2021 Reforecast	2021 Original Budget	Variance	2022 Original Budget	2020 Actual	Variance
CASH FLOWS FROM OPERATING ACTIVITIES										
	Net Income	36,552	(241,407)	277,959	(241,407)	(229,941)	(11,467)	36,552	(651,160)	687,712
	Adjustments to reconcile net income to net cash provided by operating activities									
	Depreciation	97,154	103,268	(6,114)	103,268	139,957	(36,689)	97,154	541,747	(444,593)
	Amortization	12,242	14,300	(2,058)	14,300	36,538	(22,239)	12,242	16,762	(4,520)
	Other Income	0	0	0	0	0	0	0	0	0
	Other Expenses	0	0	0	0	0	0	0	0	0
	Interest Expense	0	0	0	0	0	0	0	0	0
	Investment Income	0	0	0	0	0	0	0	0	0
	Loss (Gain) on Sale of Assets	0	0	0	0	0	0	0	0	0
	Decrease (Increase) in operating assets									
	Accounts Receivable, Trade	(13,768)	8,757	(22,525)	8,757	0	8,757	(13,768)	7,009	(20,777)
	Other Receivables	34,172	(1,309,353)	1,343,525	(1,309,353)	0	(1,309,353)	34,172	5,867	28,305
	Advances to Affiliates	0	(2,361)	2,361	(2,361)	0	(2,361)	0	3,841	(3,841)
	Other Assets	(203)	(1,332)	1,130	(1,332)	(58)	(1,274)	(203)	(2,723)	2,520
	Increase (Decrease) in operating liabilities									
	Accounts Payable, Trade	0	(8,030)	8,030	(8,030)	0	(8,030)	0	(90,025)	90,025
	Accrued Interest	1,608	16,500	(14,892)	16,500	1,362	15,138	1,608	0	1,608
	Accrued Expenses	20,589	5,826	14,763	5,826	784	5,042	20,589	(263,043)	283,632
	Deferred Revenue	(19,890)	1,289,106	(1,308,996)	1,289,106	0	1,289,106	(19,890)	7,939	(27,829)
	Net Cash Provided (Used) By Operating Activities	168,456	(124,725)	293,181	(124,725)	(51,357)	(73,368)	168,456	(423,786)	592,242
CASH FLOWS FROM INVESTING ACTIVITIES										
	Tenant Improvements	(334,650)	0	(334,650)	0	(438,150)	438,150	(334,650)	(98,200)	(236,450)
	Commissions	(3,815)	(2,258)	(1,557)	(2,258)	(2,605)	347	(3,815)	(81,531)	77,716
	Other Capital	(62,440)	(88,468)	26,028	(88,468)	(41,809)	(46,660)	(62,440)	(388,897)	326,457
	Accrued Capital Projects	0	0	0	0	0	0	0	0	0
	Deferred Commissions	(58,050)	0	(58,050)	0	(104,012)	104,012	(58,050)	(26,896)	(31,154)
	Land Held for Development	0	0	0	0	0	0	0	0	0
	Land Held for Sale	0	0	0	0	0	0	0	0	0
	Development Studies	0	0	0	0	0	0	0	0	0
	Investments	0	0	0	0	0	0	0	0	0
	Loan Costs	0	0	0	0	0	0	0	0	0
	Other Intangibles	0	31,686	(31,686)	31,686	0	31,686	0	(31,686)	31,686

Database: COPAKENBROO

**Original Budget Statement of Changes in Cash Balance**  
**AC City Center Lenexa, LLC**  
**For Period Ending: Dec 2022**

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Accrual

Entities Include: ('263000', '263100')

Report includes an open period. Entries are not final.

Account #	Account Name	2022	2021	Variance	2021	2021	Variance	2022	2020	Variance
		Original Budget	Reforecast		Reforecast	Original Budget		Original Budget	Actual	
	Gain (Loss) on Sale of Assets	0	0	0	0	0	0	0	0	0
	Net Cash Provided (Used) By Investing Activities	(458,955)	(59,040)	(399,915)	(59,040)	(586,575)	527,535	(458,955)	(627,209)	168,254
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
	Increase (Decrease) in Mortgage Notes Payable	302,350	277,415	24,935	277,415	706,786	(429,371)	302,350	1,014,115	(711,765)
	Net Cash Provided (Used) By Financing Activities	302,350	277,415	24,935	277,415	706,786	(429,371)	302,350	1,014,115	(711,765)
	<b>CASH FLOW (DEFICIT) GENERATED FOR THE PERIOD</b>	11,851	93,649	(81,798)	93,649	68,853	24,796	11,851	(36,880)	48,731
	Distributions to Partners	(50,000)	0	(50,000)	0	0	0	(50,000)	0	(50,000)
	Contributions from Partners	0	0	0	0	0	0	0	125,000	(125,000)
	Net Cash Provided (Used) By Contributions (Distributions)	(50,000)	0	(50,000)	0	0	0	(50,000)	125,000	(175,000)
	<b>NET INCREASE (DECREASE) IN CASH &amp; EQUIVALENTS</b>	(38,149)	93,649	(131,798)	93,649	68,853	24,796	(38,149)	88,120	(126,269)
	<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	199,095	105,446	93,649	105,446	208,335	(102,889)	199,095	17,326	181,769
	<b>CASH &amp; CASH EQUIVALENTS, END OF PERIOD</b>	160,946	199,095	(38,149)	199,095	277,188	(78,093)	160,946	105,446	55,500
	<b>Summary:</b>									
	Restricted Cash & Cash Equivalents	88,287	67,698	20,589	67,698	51,542	16,156	88,287	0	88,287
	Unrestricted Cash & Cash Equivalents	72,659	131,397	(58,738)	131,397	225,647	(94,251)	72,659	105,446	(32,787)
	<b>Total Restricted &amp; Unrestricted Cash</b>	160,946	199,095	(38,149)	199,095	277,189	(78,094)	160,946	105,446	55,500

## Annual Budget Income Statement

AC City Center Lenexa

Accrual

For Period Ending: Dec 2022

Account #	Account Name	2022	2021	2021		2022		2020	Variance	
		Original Budget	Reforecast	Variance	Reforecast	Original	Variance	Original Budget		Actual
INCOME										
	Minimum Rent	399,926	85,925	314,001	85,925	145,925	(60,000)	399,926	70,680	329,246
	CAM / Operating Costs	44,485	64,889	(20,404)	64,889	58,575	6,313	44,485	3,666	40,819
	Real Estate Taxes	77,292	51,337	25,955	51,337	43,486	7,851	77,292	3,125	74,167
	Direct Tenant	9,000	4,264	4,736	4,264	5,700	(1,436)	9,000	0	9,000
	Miscellaneous	74,000	83,872	(9,872)	83,872	81,736	2,136	74,000	4,935	69,065
	<b>TOTAL INCOME</b>	<b>604,703</b>	<b>290,286</b>	<b>314,417</b>	<b>290,286</b>	<b>335,423</b>	<b>(45,137)</b>	<b>604,703</b>	<b>82,407</b>	<b>522,296</b>
EXPENSE										
	CAM / Operating Costs	72,542	94,372	21,831	94,372	72,554	(21,818)	72,542	46,092	(26,449)
	Real Estate Taxes	114,134	73,350	(40,784)	73,350	66,275	(7,075)	114,134	26,974	(87,160)
	Direct Tenant	9,000	7,012	(1,988)	7,012	5,700	(1,312)	9,000	0	(9,000)
	General & Administrative	29,914	19,041	(10,873)	19,041	28,916	9,875	29,914	25,557	(4,357)
	Management Fees	18,787	7,032	(11,755)	7,032	9,092	2,060	18,787	3,613	(15,174)
	Leasing Fees	0	0	0	0	1,685	1,685	0	0	0
	<b>TOTAL EXPENSE</b>	<b>244,376</b>	<b>200,806</b>	<b>(43,570)</b>	<b>200,806</b>	<b>184,222</b>	<b>(16,584)</b>	<b>244,376</b>	<b>102,235</b>	<b>(142,141)</b>
	<b>NET OPERATING INCOME</b>	<b>360,327</b>	<b>89,480</b>	<b>270,847</b>	<b>89,480</b>	<b>151,201</b>	<b>(61,721)</b>	<b>360,327</b>	<b>(19,828)</b>	<b>380,155</b>
	Interest Expense, Net	(214,379)	(214,221)	(158)	(214,221)	(204,646)	(9,575)	(214,379)	(78,779)	(135,600)
	Depreciation & Amortization	(109,396)	(110,974)	1,578	(110,974)	(176,496)	65,522	(109,396)	(552,553)	443,157
	Prior Year Adjustments	0	(5,692)	5,692	(5,692)	0	(5,692)	0	0	0
	<b>NET INCOME</b>	<b>36,552</b>	<b>(241,407)</b>	<b>277,959</b>	<b>(241,407)</b>	<b>(229,941)</b>	<b>(11,467)</b>	<b>36,552</b>	<b>(651,160)</b>	<b>687,712</b>