

UPSTAIRS DOWNTOWN WORKSHOP

North Platte, Nebraska | May 10-11, 2021

Hosted by the City of North Platte Historic Preservation Commission and the Nebraska Main Street Network



Handouts

- 1. A constant chart to calculate the annual debt service on a loan**
- 2. The Rule of Thumb Guide - how much debt different rent levels can service**
- 3. A Project Viability Analysis - early stage project assessment**
- 4. A Web Bibliography - learn more about Upstairs Downtown**

This workshop is supported by the State Historic Preservation Office of History Nebraska, funded in part with the assistance of a federal historic preservation fund grant from the National Park Service, a division of the United States Department of the Interior and with a grant from the City of North Platte's Quality Growth Fund.

Constant Annual Percent / Loan Amortization Schedules

Years	10	15	20	25	30	35	40	Years
Rate								Rate
2.000%	11.042%	7.722%	6.071%	5.086%	4.435%	3.975%	3.634%	2.000%
2.125%	11.109%	7.791%	6.142%	5.160%	4.511%	4.053%	3.713%	2.125%
2.250%	11.176%	7.861%	6.214%	5.234%	4.587%	4.131%	3.794%	2.250%
2.375%	11.244%	7.931%	6.286%	5.308%	4.664%	4.210%	3.875%	2.375%
2.500%	11.312%	8.001%	6.359%	5.383%	4.741%	4.290%	3.957%	2.500%
2.625%	11.381%	8.072%	6.432%	5.459%	4.820%	4.371%	4.041%	2.625%
2.750%	11.449%	8.143%	6.506%	5.536%	4.899%	4.452%	4.125%	2.750%
2.875%	11.518%	8.215%	6.580%	5.613%	4.979%	4.535%	4.210%	2.875%
3.000%	11.587%	8.287%	6.655%	5.691%	5.059%	4.618%	4.296%	3.000%
3.125%	11.657%	8.359%	6.731%	5.769%	5.141%	4.702%	4.383%	3.125%
3.250%	11.726%	8.432%	6.806%	5.848%	5.222%	4.787%	4.470%	3.250%
3.375%	11.796%	8.505%	6.883%	5.927%	5.305%	4.873%	4.559%	3.375%
3.500%	11.866%	8.579%	6.960%	6.007%	5.389%	4.959%	4.649%	3.500%
3.625%	11.937%	8.652%	7.037%	6.088%	5.473%	5.047%	4.739%	3.625%
3.750%	12.007%	8.727%	7.115%	6.170%	5.557%	5.135%	4.830%	3.750%
3.875%	12.078%	8.801%	7.193%	6.252%	5.643%	5.224%	4.922%	3.875%
4.000%	12.149%	8.876%	7.272%	6.334%	5.729%	5.313%	5.015%	4.000%
4.125%	12.221%	8.952%	7.351%	6.417%	5.816%	5.404%	5.109%	4.125%
4.250%	12.293%	9.027%	7.431%	6.501%	5.903%	5.495%	5.203%	4.250%
4.375%	12.364%	9.103%	7.511%	6.585%	5.991%	5.587%	5.299%	4.375%
4.500%	12.437%	9.180%	7.592%	6.670%	6.080%	5.679%	5.395%	4.500%
4.625%	12.509%	9.257%	7.673%	6.755%	6.170%	5.772%	5.492%	4.625%
4.750%	12.582%	9.334%	7.755%	6.841%	6.260%	5.866%	5.589%	4.750%
4.875%	12.655%	9.412%	7.837%	6.928%	6.350%	5.961%	5.687%	4.875%
5.000%	12.728%	9.490%	7.919%	7.015%	6.442%	6.056%	5.786%	5.000%
5.125%	12.801%	9.568%	8.003%	7.103%	6.534%	6.152%	5.886%	5.125%
5.250%	12.875%	9.647%	8.086%	7.191%	6.626%	6.249%	5.986%	5.250%
5.375%	12.949%	9.726%	8.170%	7.280%	6.720%	6.346%	6.088%	5.375%
5.500%	13.023%	9.805%	8.255%	7.369%	6.813%	6.444%	6.189%	5.500%
5.625%	13.098%	9.885%	8.340%	7.459%	6.908%	6.543%	6.292%	5.625%
5.750%	13.172%	9.965%	8.425%	7.549%	7.003%	6.642%	6.395%	5.750%
5.875%	13.247%	10.045%	8.511%	7.640%	7.098%	6.742%	6.498%	5.875%
6.000%	13.322%	10.126%	8.597%	7.732%	7.195%	6.842%	6.603%	6.000%
6.125%	13.398%	10.207%	8.684%	7.824%	7.291%	6.943%	6.707%	6.125%
6.250%	13.474%	10.289%	8.771%	7.916%	7.389%	7.045%	6.813%	6.250%
6.375%	13.550%	10.371%	8.859%	8.009%	7.486%	7.147%	6.919%	6.375%

Rule of Thumb

How much rent can you service at different rents

Monthly Rent per unit	Allocation to Expenses	Monthly Net Operating Expenses (NOI)	Loan @ 7% 20 Yr Amort 5 Yr Balloon (c = .0931)
350	40%	210	27,068
400	40%	240	30,934
450	40%	270	34,801
500	40%	300	38,668
550	40%	330	42,235
600	35%	390	50,268
650	35%	422	54,458
700	35%	455	58,646
750	35%	488	62,836
800	35%	520	67,025
850	35%	552	71,214
900	35%	585	75,403
950	35%	617	79,592
1000	30%	700	90,225
1050	30%	735	94,737
1100	30%	770	99,248
1150	30%	805	103,759
1200	30%	840	108,270

Upper-story Redevelopment Real Estate Feasibility Study

for
311 S. Dewey Avenue

Bartlesville, OK



Presented to the

Bartlesville Redevelopment
Trust Authority

December 2020



The Upstairs Downtown Program for Successful Housing

In our work, we strive to find design solutions for older buildings that create spacious yet affordable housing in the buildings along America's Main Streets. We focus our skills on the small-scale (two to three-story) brick buildings that are the commercial and architectural core of older downtowns. These buildings have great architectural amenities and tall ceilings that can be transformed into new housing units that have character and appeal for today. By adding contemporary building systems we greatly improve their safety. We utilize an open planning concept that converts under-utilized buildings into desirable living spaces. All of this is done while meeting the challenges of modern building codes and competing against other newer housing projects.

The Upstairs Downtown approach carefully assesses the architectural character found in historic buildings and matches these with contemporary amenities. High ceilings are a starting point for designs that also maximize natural lighting, vintage materials, and contemporary kitchens and baths. Full laundry facilities are provided in each unit. When space allows, a home office or an outdoor deck or terrace adds another amenity.

Our housing program guidelines:

- Unit size: 1 or 2 BR units of approx. 1,000 sq. ft.
- Open-plan kitchen and living rooms
- Retention of tall ceilings
- Natural lighting for living and bedrooms
- Laundry facilities in each unit
- All new building systems - HVAC, electric, plumbing
- Retain and enhance historic character-defining features
- Safety upgrades based upon the International Existing Bldg Code

The Upstairs Downtown real estate feasibility studies are an integrated design and financial assessment that helps owners understand what is needed to convert under-utilized spaces into contemporary housing. Property owners will need to assess their financing options and work with local professionals to move projects from these preliminary designs to more detailed construction documents for building permits and construction.

Upper-story Redevelopment Real Estate Feasibility Study

Property Address: 311 S. Dewey Avenue
Bartlesville, OK

Historic Status: This building is classified as non-contributing to Bartlesville Downtown Historic District. Removal of the aluminum screen covering the facade would likely allow the property to be reclassified as contributing. The building is subject to review of a downtown design program.

Reuse Summary

There are two proposed plan options, one with four units and one with five units.

The principle difference between the options is the number and type of units and location of the rear stair. Option A has three one-bedroom apartments and a studio with the rear stair located internal to the building. In Option B, the largest one-bedroom has been divided into a smaller one-bedroom and a studio apartment and the rear stair is located outside of the building envelope. There is some additional construction cost for the five unit scheme, which also has a higher rental income. However, the long term marketability of studio apartments typically has less demand than one-bedroom units.

Option A: Four Units

Apartment 1	667 sf	1 Bedroom
Apartment 2	415 sf	Studio
Apartment 3	680 sf	1 Bedroom
Apartment 4	927 sf	1 Bedroom

Option B: Five Units

Apartment 1	667 sf	1 Bedroom
Apartment 2	415 sf	Studio
Apartment 3	680 sf	1 Bedroom
Apartment 4	497 sf	1 Bedroom
Apartment 5	367 sf	Studio

Construction Notes

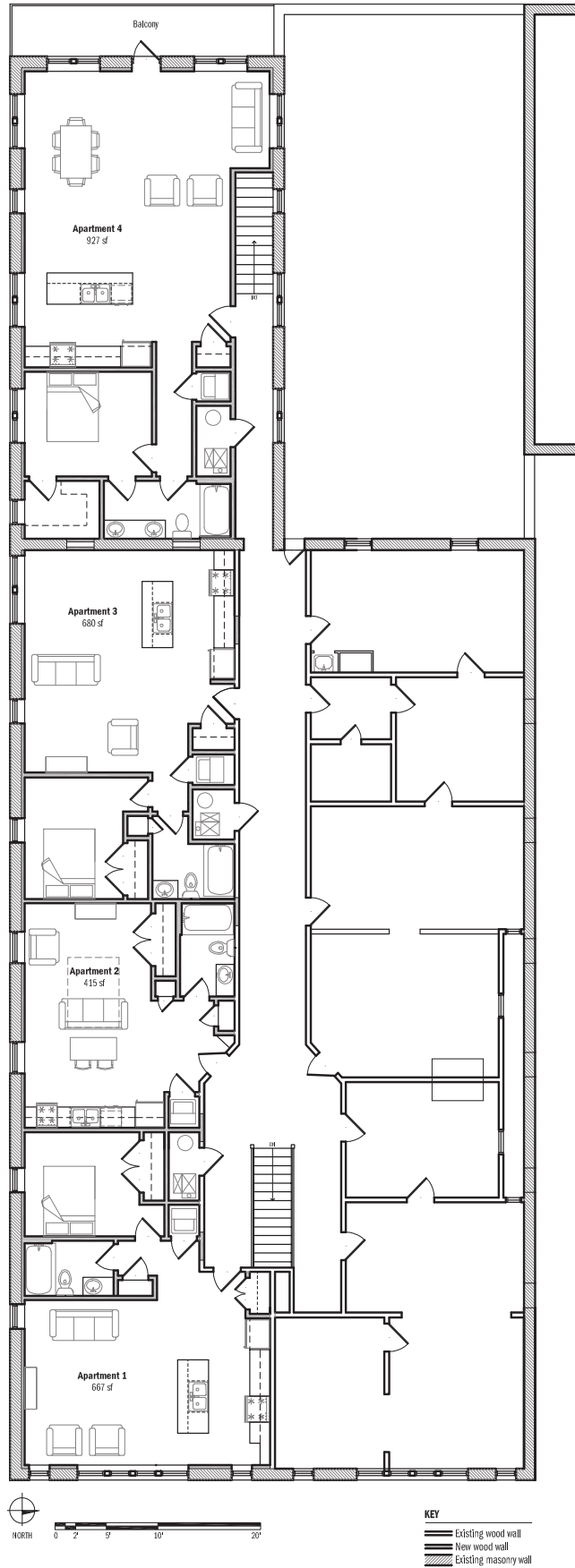
Both options require the following actions:

- Removal of the front metal cover.
- Permanent access or easement to the open parking lot immediately to the south so the window opening may be added to the south wall.
- Construction of a new rear exit stairs.
- Cooperation with the owner of 309 because of the shared easement of the stairs and corridor.

These proposed designs are not likely to qualify for the historic preservation tax credits because the interior renovation needed to make marketable units. This design would require the demolish of most of the current interiors, which would probably not meet preservation design standards.

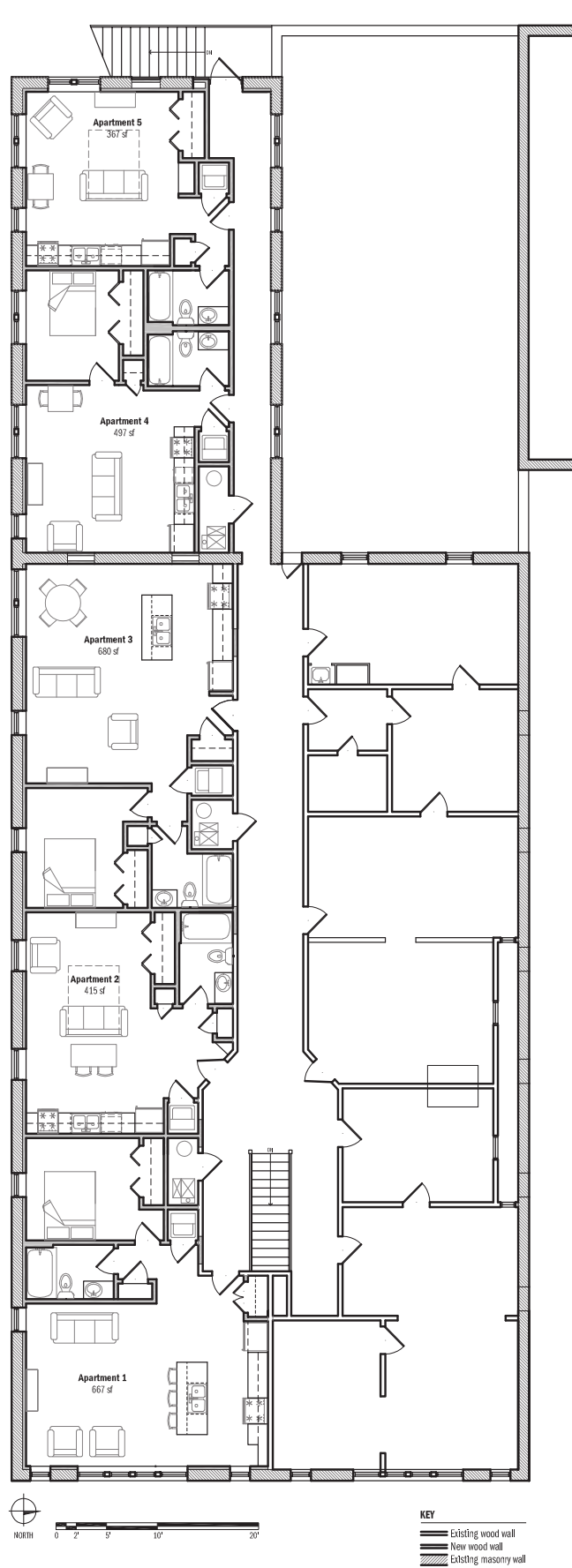
Proposed Second Level Floor Plan

Option A: 4 Units



Proposed Second Level Floor Plan

Option B: 5 Units

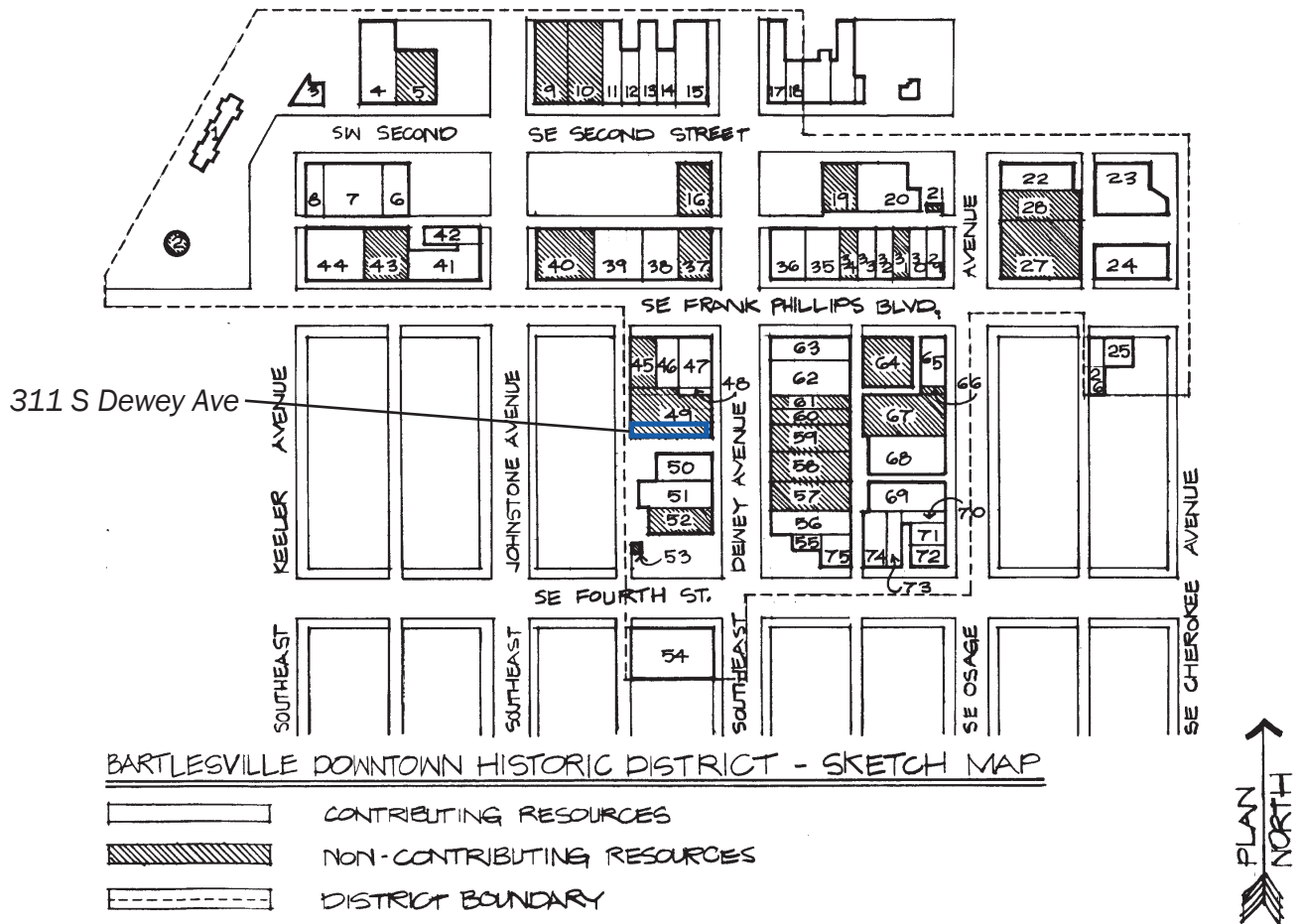


National Register of Historic Places Map

Historic Name: 311 S. Dewey Avenue

Description from National Register Nomination

This structure is a non-contributing building to the historic district because of the metal screen covering the second floor façade. The removal of this screen would be sufficient to change the status to a contributing building. The removal of the façade is also necessary for the second floor to be converted to residential use.



Existing Condition Photos



Photo 1: Front elevation



Photo 2: Rear elevation

Existing Condition Photos



Photo 3: Front stairs



Photo 4: Front corridor



Photo 5: Corridor looking west



Photo 6: Front room looking east

Existing Condition Photos



Photo 7: Front room looking west

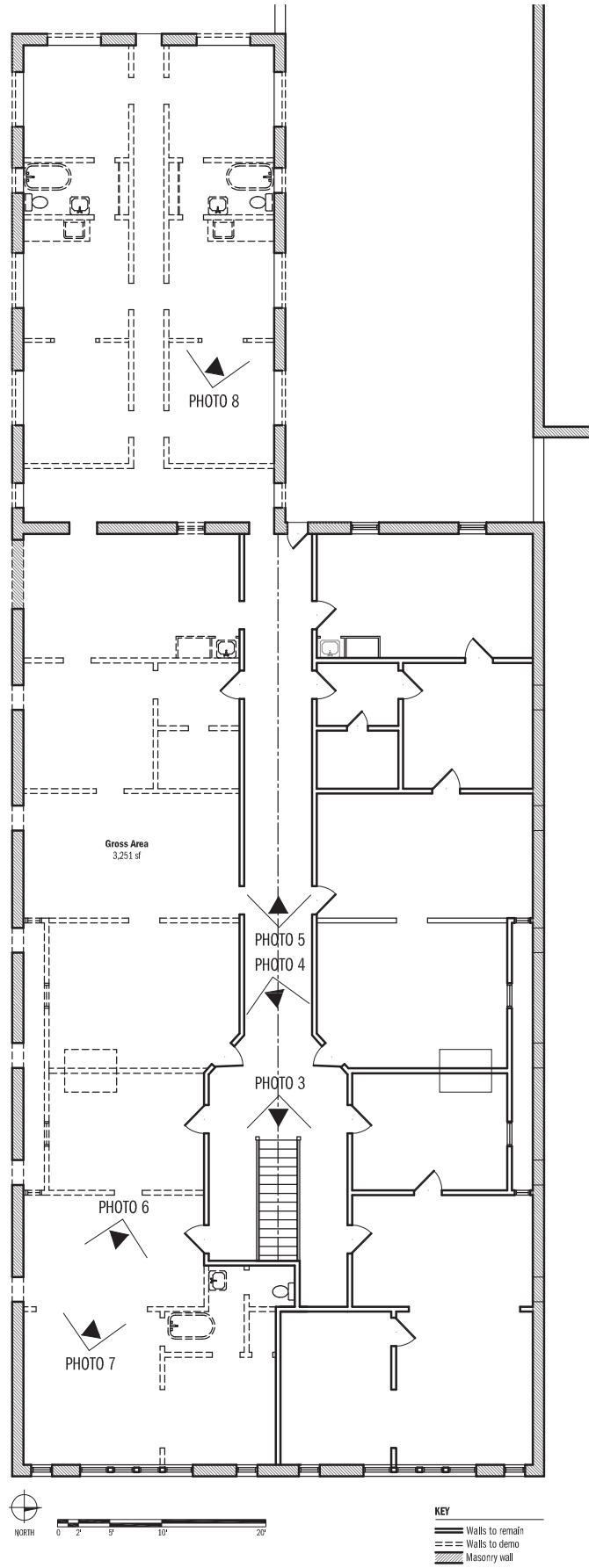


Photo 8: Rear apartment kitchen



Photo 9: Tin ceiling on first floor

Existing/Demolition Second Level Floor Plan



**Upstairs Downtown
Development Pro Forma
Bartlesville 10-4A
4-Dec-20**

Larger Unit Premium

Annual Income and Operating Expenses

		Unit Mix	Unit Mix	Sq.Ft.	Cost Range \$90 - 150		Rent @ \$1.20+
Project Name:	Bartlesville 10-4A	A	1 Bedroom	667	60,030	100,050	800
Location	309-11 Dewey St.	B	Studio	415	37,350	62,250	500
# of Units	4	C	1 Bedroom	680	61,200	102,000	815
		D	1 Bedroom	927	83,430	139,050	1,250
				2,689	242,010	403,350	3,365

Operating Expenses

Administrative

Advertising	500
Management Fee @ ___%	500
Other	
Total Administrative	1,000

Operating

Elevator Maintenance	0
Fuel - Heating	550
Fuel - Hot Water	0
Electric	800
Water / Sewer	850
Trash Removal	400
Security	400
Payroll	0
Misc.	500
Total Operating	3,500

Maintenance

Decorating	600
Repairs	600
Exterminating	400
Insurance	2,000
Grounds	350
Other	
Total Maintenance	3,950

Replacement Reserves

Total Operating Expenses (Before RE Taxes)	9,700
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Taxes

RE Taxes	3,600
Personal Property	0
Employee Payroll	0
Other	0
Total Taxes	3,600

Total Operating Expenses	13,300
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Annual Income

Gross Potential - Residential (3,000 X 12)	40,380
(Less Residential Occupancy @ 5 %)	-2,019
Subtotal	38,361

Gross Potential - Commercial	N.A.
Less Commercial Occupancy @ ___%	
Subtotal	

Effective Gross Income	38,361
(Less Operating Expenses)	-13,300
Net Operating Income	25,061

Expense Ratio	
Net Revenue	65%

Option A - Without Subordinated Debt

NOI	25,061
Option A Debt Service	-25,140
Cash Flow after Debt Service	-79

Option B - With Subordinated Dept

NOI	25,061
Option A+B Debt Service	-24,384
Cash Flow after Debt Service	677

Option C - Without Subordinated Debt + Grant

NOI	25,061
Option A Debt Service	-21,588
Cash Flow after Debt Service	3,473

**Upstairs Downtown
Development Pro Forma
Bartlesville 10 4A
4-Dec-20**

Sources and Uses of Capital

Project Name:	Bartlesville 9	
Location	311 Dewey St	
# of Units	4	
Square Feet	3,251	
Use of Funds		
Land Improvements		0
Parking		0
Storm Water Management		0
Total Land Improvements		0
Structures		
Renovation	\$105	341,355
Additions or New Construction		0
Solar		0
Geo Thermal		0
Elevator		0
Other		0
Total Structures		341,355
Land Improvements and Structures		
		341,355
General Requirements @ 5 %		17,067
Sub Total		358,422
Builder's Overhead & Profit 7 %		
		23,895
Subtotal		382,317
Bond Premium		
		2,000
Building Permits		
		1,500
Total Construction Costs		385,817
Design and Construction Administration		
Architect's Design Fee (5%)		17,067
Construction Administration Fee (3%)		10,240
Total Design and Construction Admin		27,307
Operating Reserve		
		1,000
Total Capitalized Project Costs \$127		414,124

Source of Funds Without Subordinated Debt

Owners Equity (20%)	82,825
Other Equity A:	
Other Equity B	
Debt Source A: <u>First Mortgage</u> (80%)	331,299
Debt Source B	
Debt Source C	
Other Debt or Equity:	
Total Debt & Equity	414,124
Debt Service	
Debt Source A	
Amount 331,299 @ 4.5% X 20 years	25,140
Net Operating Income	25,061
Debt Coverage Ratio	1

Source of Funds With Subordinated Debt

Owners Equity (20%)	82,825
Other Equity A:	
Other Equity B	
Debt Source A: <u>First Mortgage</u> (60%)	248,474
Debt Source Local Revolving Loan Fund	82,825
Debt Source C	
Other Debt or Equity:	
Total Debt & Equity	414,124
Debt Service	
Debt Source A	
Amount \$248,474 @ 4.5% X 20 years	18,862
Debt Source B	
Amount 82,825 @ 0% X 15 years	5,522
Total Debt Service A+B	24,384
Net Operating Income	25,061
Overall Debt Coverage Ratio	1.03
First Position Debt Coverage	
Amount \$248,474 @ 4.5% X 20 years	18,862
Net Operating Income	25,061
Revised Debt Coverage	1.33

Source of Funds Without Subordinated Debt + Grant

Owners Equity (10%)	41,412
Other Equity A:	
Other Equity B	
Debt Source A: <u>First Mortgage</u> (66%)	272,712
Debt Source Local Revolving Loan Fund	
Debt Source C	
Other Debt or Equity: <u>\$25K per unit</u>	100,000
Total Debt & Equity	414,124
Debt Service	
Debt Source A	
Amount 272,712 @ 5% X 20 years	21,588
Net Operating Income	25,061
Overall Debt Coverage Ratio	1.17

**Upstairs Downtown
Development Pro Forma
Bartlesville 10-5A
4-Dec-20**

Annual Income and Operating Expenses

		Unit Mix	Unit Mix	Sq.Ft.	Cost Range \$90 - 150		Rent @ \$1.00
Project Name:	Bartlesville 10-5A	A	1 Bedroom	667	60,030	100,050	750
Location	311 Dewey St.	B	Studio	415	37,350	62,250	500
# of Units	5	C	1 Bedroom	680	61,200	102,000	750
		D	1 Bedroom	497	44,730	74,550	600
		E	Studio	367	33,030	55,050	500
				2,626	236,340	393,900	3,100

Operating Expenses

Administrative

Advertising	500
Management Fee @ ___%	500
Other	

Total Administrative 1,000

Operating

Elevator Maintenance	0
Fuel - Heating	550
Fuel - Hot Water	0
Electric	800
Water / Sewer	850
Trash Removal	400
Security	400
Payroll	0
Misc.	500

Total Operating 3,500

Maintenance

Decorating	600
Repairs	600
Exterminating	500
Insurance	2,000
Grounds	350
Other	

Total Maintenance 4,050

Replacement Reserves 1,450

Total Operating Expenses 10,200
(Before RE Taxes)

Taxes

RE Taxes	3,600
Personal Property	0
Employee Payroll	0
Other	0

Total Taxes 3,600

Total Operating Expenses 13,800

Annual Income

Gross Potential - Residential (3,100 X 12)	37,200
(Less Residential Occupancy @ 5%)	-1,869
Subtotal	35,331

Gross Potential - Commercial	N.A.
Less Commercial Occupancy @ ___%	
Subtotal	

Effective Gross Income	35,331
(Less Operating Expenses)	-13,800
Net Operating Income	21,531

Expense Ratio	
Net Revenue	61%

Option A - Without Subordinated Debt

NOI	21,531
Option A Debt Service	-27,516
Cash Flow after Debt Service	-5,985

Option B - With Subordinated Debt

NOI	21,531
Option B Debt Service	-29,124
Cash Flow after Debt Service	-7,593

Option C - Without Subordinated Debt + Grant

NOI	21,531
Option A Debt Service	-22,392
Cash Flow after Debt Service	-861

**Upstairs Downtown
Development Pro Forma
Bartlesville 10 - 5A
4-Dec-20**

Sources and Uses of Capital

Project Name:	Bartlesville 9	
Location	311 Dewey St	
# of Units	5	
Square Feet	3,251	
Use of Funds		
Land Improvements		0
Parking		0
Storm Water Management		0
Total Land Improvements		0
Structures		
Renovation	\$115	373,865
Additions or New Construction		0
Solar		0
Geo Thermal		0
Elevator		0
Other		0
Total Structures		373,865
Land Improvements and Structures		373,865
General Requirements @ 5 %		18,693
Sub Total		392,558
Builder's Overhead & Profit 7 %		26,170
Subtotal		418,728
Bond Premium		2,000
Building Permits		1,500
Total Construction Costs		422,228
Design and Construction Administration		
Architect's Design Fee (5%)		18,693
Construction Administration Fee (3%)		11,216
Total Design and Construction Admin		29,909
Operating Reserve		1,000
Total Capitalized Project Costs \$139		453,137

Source of Funds Without Subordinated Debt

Owners Equity (20%)	90,627
Other Equity A:	
Other Equity B	
Debt Source A: <u>First Mortgage</u> (80%)	362,510
Debt Source B	
Debt Source C	
Other Debt or Equity:	
Total Debt & Equity	453,137
Debt Service	
Debt Source A	
Amount 362,656 @ 4.5% X 20 years	27,516
Net Operating Income	21,531
Debt Coverage Ratio	0.78

Source of Fund With Subordinated Debt

Owners Equity (20%)	90,627
Other Equity A:	
Other Equity B	
Debt Source A: <u>First Mortgage</u> (60%)	272,000
Debt Source Local Revolving Loan Fund	90,510
Debt Source C	
Other Debt or Equity:	
Total Debt & Equity	453,137
Debt Service	
Debt Source A	
Amount 272,000 @ 4.5% X 20 years	20,570
Debt Source B	
Amount 90,510 @ 0% X 15 years	6,034
Total Debt Service A+B	26,604
Net Operating Income	21,531
Overall Debt Coverage Ratio	0.81

First Position Debt Coverage

Amount 270,949 @ 4.5% X 20 years	20,570
Net Operating Income	21,531
Revised Debt Coverage	1.05

Source of Funds Without Subordinated Debt + Grant

Owners Equity (10%)	45,313
Other Equity A:	
Other Equity B	
Debt Source A: <u>First Mortgage</u> (63%)	282,824
Debt Source Local Revolving Loan Fund	
Debt Source C	
Other Debt or Equity:	125,000
Total Debt & Equity	453,137
Debt Service	
Debt Source A	
Amount 282,824 @ 5% X 20 years	22,392
Net Operating Income	21,531
Overall Debt Coverage Ratio	0.96

Webliography

Upstairs Downtown Program

www.upstairsdowntown.com

The presentations for our four-point training program are available on our web site. Other resources include feasibility studies and links to online resources.

Economic Impact of Main Street

The Michigan Main Street program commissioned Place Economics to do an economic impact study of the state-wide program. Included in this document are several specific studies related to downtown property use age.

The Impact of Upper Floor Housing

The Cost of an Empty Storefront

<https://www.placeeconomics.com/wp-content/uploads/2016/08/michigan.pdf>

Incentive Programs

Preservation League of New York

Upper Floor Reuse Guidebook

<https://static1.squarespace.com/static/5ce6e114ce7798000182c79f/t/5ceee64fe79c70dc9360cdcc/1559160430757/upperfloorsguidebook.pdf>

Pittsburgh Downtown Upstairs Program Guidelines'

https://apps.pittsburghpa.gov/redtail/images/400_Downtown_Upstairs_Fund_Program_Guidelines_071117_db.pdf

Connecticut Main Street – Come Home to Downtown

<https://ctmainstreet.org/our-impact/come-home-to-downtown/>

Pekin Illinois

http://www.pekinmainstreet.com/documents/2017%20Downtown_Revitalization_Programs.pdf

Technical References:

History Lessons

Radford's Stores and Flat Buildings

<https://archive.org/details/RadfordsStoresAndFlatBuildings>

Safety

Fire Ratings of Archaic Materials and assemblies

www.huduser.org/portal/publications/destech/fire.html

Fire rating for Floor Assemblies

www.firefree.com/assemblies-drawings.php#WoodFloorCeiling2H

Lead Paint and Historic Buildings

<https://www2.illinois.gov/dnrhistoric/preserve/pages/leadpaint.aspx>

Environment & Energy

Quantifying the Value of Building Reuse

<https://forum.savingplaces.org/HigherLogic/System/DownloadDocumentFile.aspx?DocumentFileKey=c8e6fa41-265f-70eb-0e6e-ff1057ccae40&forceDialog=0>

Creating Energy Efficient Main Street Guide

<https://www.iowaeda.com/userdocs/programs/CreatingEnergyEfficientMainStreets.pdf>