TRYON CENTER

A NEW URBAN FOCUS FOR NORTHERN MANHATTAN

A PROPOSAL BY

QUADRIAD REALTY PARTNERS, NEW YORK

to

COMMUNITY BOARD 12, MANHATTAN

Memorandum 2:
Community Board B 12, Manhattan: Land Use Sub-Committee
Board Questions/Quadriad Responses:
to Quadriad Realty Partners 05 JAN 11 Presentation 1

2

02 March 2011

TRYON CENTER
A NEW URBAN FOCUS FOR NORTHERN MANHATTAN
2 March 2011

QUADRIAD RESPONSE TO QUESTIONS RAISED BY CB12 AFTER QUADRIADS FIRST PRESENTATION 05 JAN 11

QUADRIAD REALTY PARTNERS, NEW YORK
TO
COMMUNITY BOARD 12, MANHATTAN

CHAIR:
PAMELA PALANQUE-NORTH
DISTRICT MANAGER:
EBENEEZER SMITH

COMMUNITY BOARD 12, MANHATTAN, LAND-USE COMMITTEE:

CHAIR:
WAYNE BENJAMIN, AIA

ASSISTANT CHAIR: ANITA BARBERIS   ASSISTANT CHAIR: RICHARD ALLMAN
JAMES BERLIN   ISAIAH BING   TAMARA RIVERA   STEVE SIMON

RESPONSE SUBMITTED IN WRITING BY:
QUADRIAD REALTY PARTNERS
2 MARCH 2011

QUADRIAD

TRYON CENTER

A NEW URBAN FOCUS FOR NORTHERN MANHATTAN

2 March 2011

CONTENTS

QUADRIAD RESPONSE TO QUESTIONS RAISED BY CB12 FOLLOWING QUADRIAD'S FIRST PRESENTATION 05 JAN 11

Preface

The following Memorandum 2, 2 March 2011, from Quadriad Realty Partners to the Land-use Committee of Manhattan Community Board 12, presents responses to a series of thirteen questions-comments from Board members in response to the first formal presentation by Quadriad to the Land-use Committee on 5 January 2011.

Memorandum 2, as a component of Quadriad's responses, repeats some of the drawings and a chart first presented to the Land-use Committee in January 2011, as well as new drawings illustrative of various points n these responses.

A new group of drawings, including several alternative New-strategy bulk options, initially intended for presentation at the March meeting, will be presented, in accordance with the desires of the Land-use Committee, at the April 2011 meeting.

I

[first set of Questions submitted to Quadriad 23 Jan 11:]

Question 1

1:

.a:

Is Quadriad willing to consider alternate design approaches for its New Strategy development scenario that achieve the same density/FAR but feature shorter buildings with larger floor plates?

.b:

Has it explored other design approaches?

.c:

If so, can it present those alternatives to the Land Use Committee?

RESPONSE TO QUESTION 1a:

Eliminating long narrow double-loaded corridor apartment building design is a key principal to better apartments. Better apartments are organized around "almost-square" central-plan apartment building designs approaching 63'x73' which:

- provide more window-area per sf of apartment-size;
- eliminate dark windowless rear areas of apartments;
- enable superior interior unit layouts to be achieved with closer window-access and diminished wasted circulation space;
- increase by a very wide margin the corner unit schemes with light-filled living rooms; and
- enable considerably shorter distances between elevator-stair-cores and apartment entrance doors.

These types of apartments and floor-plates are considerably more expensive to build, but the quality of residential space that is created far exceeds anything that can be done with standard long-corridor double-loaded floor plate buildings. The floor plans that follow on the next page, first introduced to you in the January meeting, presents an example of the near-square plan as well as the standard-corridor plan. Quadriad is committed to building an innovative product of very high design and user-satisfaction standard.

continued on next page

I

[first set of Questions submitted to Quadriad 23 Jan 11:]

Question 1 (cont.)

RESPONSE TO QUESTION 1b:
Quadriad has developed internally a wide variety of alternate New-strategy schemes with different massings, different unit layouts, and varieties of building heights. Quadriad has also explored views and diagrams of existing as-of-right conforming schemes, including their bulk configuration on the site and their relation to the rear- and side-yard lines. Quadriad believes the differences in unit quality between the "deeper-lower" floor plate schemes, and the "slender-higher" floor plate schemes is self-evident, Further, there are significant differences in overall positioning of the building on the site, landscape relationships to the park and the exposed steel structural grids for the hill-side rear lot line, and the creation of significant new accessible open-space which the small-footprint tower-scheme enable that are precluded by the large-footprint "standard-bulk" designs.

RESPONSE TO QUESTION 1c:
Quadriad will present alternate schemes for the New-strategy FAR quantities at the April 2011 Community Board meeting, as well as a variety of floor-plate solutions modeled on the as-of-right scheme. These drawings will be included in Community Board Report No. 3, April 2011.

Question 2

2:
.a:
Elaborate on the need for New Strategy FAR to be 2.75% greater than as-of-right FAR.
.b:
What FAR bonus is needed to just achieve the affordable housing component?
.c:
What FAR bonus is needed to just achieve both the affordable housing and community facility components?

RESPONSE TO QUESTION 2a:
The 2.75 ratio that Quadriad has developed for the New-strategy formula is based on the economic strength that is necessary to ensure the comprehensive financing of the projects in locations which have precluded "standard" development energies from proposing scopes of comprehensive community planning and design in the manner proposed by Quadriad there. The key issue is providing a return to private sector investment that provides an approximate 16% Internal Rate of Return for the core private sector investment financing entities. This also presumes the active participation of the Building and Construction Trades of New York and the AFL-CIO Housing Investment Trust and Housing and Urban development 221.d.4 financing guarantees. This complex stack of financing arrangements ensures the quality and pace of construction that Quadriad insists as necessary to create a mixed-housing model, with appropriate infrastructure improvements of the kinds discussed here, as a model of 21st-century development. Much of the work in determining the 2.75 model was performed by Quadriad during its creation of both the first two New-strategy projects—in Williamsburg in 2007 and for Tranche-II projects in 2008-9. An example of the Quadriad analysis is provided in the Appendix to this Community Board response. Quadriad is committed to further clarification and discussion of this FAR model in a context suggested by the Board.

continued on next page

Question 2 (cont.)

RESPONSE TO QUESTION 2b:
A minimum 2.65 factor is necessary to achieve the 70%:30% ratio of market:affordable housing and to ensure that the affordable units are built of the same quality as the market units and integrated fully within the overall structure. This is the core development cost and this is shown in the pro-forma model discussed above in response to Question 2.a. The up-front costs of the infrastructure issues—park rehabilitation and subway access improvements—represent only a small density increase and a small additional quantity of up-front equity. The base density increase is calculated against the economic strength that is necessary to ensure the comprehensive financing of the projects in locations which have precluded "standard" development energies from proposing scopes of comprehensive development such as that proposed here.

RESPONSE TO QUESTION 2c:
The same minimum 2.65 factor described in 2.b above is necessary in regard to the community facility development addition as well. The community facilities are built on a "break-even" set of financing assumptions: their revenue streams will precisely cover their building costs and ongoing maintenance. Quadriad believes that the community facilities are an important component of New-strategy development, adding measurably to the sense of the project as a true "community center", but they do not contribute to the ultimate profit-incentive of the project for investors. Community facility revenue streams are developed here in Hudson Heights on a break-even basis.

Question 3

3:
What other configurations/allocations of residential units, community space, local retail space and public amenities are financially feasible but yield built form more closely related to the area's existing built form?

RESPONSE TO QUESTION 3:

a:
Quadriad commits to presenting to the Board, as described previously in the response to Question 1, a variety of financially feasible developments in conformance with both the FAR requirements of as-of-right projects, as well as the FAR requirements of New-strategy projects. Quadriad has already shown in the January presentation an example of an as-of-right project which can be financed.

b:
The zoning resolution, as well as normative New York City residential design standards, will no longer allow development to take place within the "typical" bulk configuration now present in much of adjacent northern Manhattan six- and seven-storey residential buildings. These "alphabet" buildings—E, H, U in plan-- are typically built directly congruous to the street site lot lines and with minimal distances in the "court-yard" relationships between the building wings. This seventy-year old model is no longer allowed by the New York City Zoning Resolution and the New York City Building Code.

c:
Emphatically, therefore:
Housing built to these past standards is not financially feasible, could not be financed or developed, and cannot be considered responsibly as a model from which to proceed with discussion. As a courtesy to the Board, Quadriad will present to the Board in the April presentation a "building" modeled on these current built-models in the neighborhood and why these models result in both inferior housing and non-financeable projects.

Question 4

4:
The average unit size proposed by Quadriad seems small. I did not check but the proposed average unit size seems smaller than the average unit size used by HPD in its various affordable housing programs. What factors govern the proposed unit size? Can the average unit size be increased to parallel HPD recommendations?

RESPONSE TO QUESTION 4:
The New York City Department of Housing Preservation & Development [HPD] does not prescribe unit sizes. Instead, and more appropriately, HPD enforces a series of architectural standards to ensure the quality of the units. These standards include, among others, component rooms and accessory spaces to be provided within the unit, as well as areas and dimensions of such rooms/spaces.

Quadriad's own unit- an room-size and quality design standards exceed those set forth by HPD & DOB. This is evidenced in the following table:

HPD STANDARDS	0-BR	1-BR	2-BR	3-BR
Master Bedroom	0	130	130	130
Bedroom	0	0	110	110
Bedroom	0	0	0	110
Living Room	210	160	160	170
Kitchen & Dining	100	120	120	140
Kitchen/Living/Sleeping	250	0	0	0
Full Bathroom	65	65	65	65
Half Bathroom	0	0	0	20
Storage (Apt)	9	9	15	21
Storage (BdRm)	0	10	20	30
HPD CONFIGURATION	**259**	**484**	**610**	**786**
AVG NET QUADRIAD UNIT	375	500	700	825

continued on next page

I

[first set of Questions submitted to Quadriad 23 Jan 11:]

Question 4 (cont.)

The composite area of the unit as a whole is a product of how efficiently (and beautifully!) the component rooms are organized. Typically, more efficiently laid-out apartment plans provide effective use of space and a higher quality of unit. Quadriad apartment homes are designed to maximize livability and minimize wasted, unusable space. In consequence of this, Quariad prefers to spend construction dollars on the quality of apartments built-materials, windows, floors, doors, kitchen appliances and cabinetry, bathroom fixtures and cabinetry, etc. We will provide the Board, at the appropriate time in the construction-document preparation process, a complete specification of interior and window products for the Bard either to judge for themselves the quality of what is being provided, or to engage a consultant to help them in making this judgement.

Question 5

5:
Can allocation of units among the three affordability tiers be adjusted to more closely reflect local AMI and what is affordable to the range of local residents?

RESPONSE TO QUESTION 5:
Yes.
Quadriad is prepared within certain overall income and revenue limits to adjust the affordability factors for the units in accordance with the desires of the Community Board and the various Community Board committees. These limits have to do with the overall financial viability of the project, and Quadriad commits to reviewing them on an issue-by-issue basis with the Board, local elected and appointed officials, and local community organizations. Quadriad's goal is to get this "right".

The Manhattan overall area median income [AMI] schedule is $79,522, adjusted to 2009 inflation dollars, and based on the 2010 census. It represents the latest overall reading of Manhattan incomes.

Quadriad recognizes that this number will represent greater average annual median incomes than those earned by many Hudson Heights residents. Quadriad has already made, therefore, the following income adjustments to its financing calculations:

- The average area median income for Community Board 12 is reduced to $60,000 for a family of four.
- This represents, in general a two-wage-earner family with two children.
- The following rent and sales prices as depicted in the following tables will therefore apply in regard to the New-strategy middle-income tier components of Tryon Center.
- These numbers are yet subject to change, and are provided here to give the Community Board a basis from which to understand the economic issues underlying the New-strategy from the standpoint of the middle-income 30% of the units.

see tables on following three pages

I

[first set of Questions submitted to Quadriad 23 Jan 11:]

Question 5 (cont.)

NEW-STRATEGY DEVELOPMENT METRICS: TRYON CENTER

FAMILY INCOME ANALYSIS					
	Annual Gross Lower	*Annual Gross Upper*	*% Residential Allocation @*	*% Residential Allocation @*	
			30%	25%	
CB 12 Family Median Income		$60,000	$18,000	$15,000	
Dedicated Residential Expenditure %					
@25% of income		*$15,000*			
@30% of income		*$18,000*			
	lower	*upper*			
Famiy Income: @0-60%	$18,000	$36,000	*upper*	*upper*	
Dedicated Residential Income Maximum			**$10,800**	**$9,000**	
Famiy Income: @60-120%	$36,000	$72,000	*upper*	*upper*	
Dedicated Residential Income Maximum			**$21,600**	**$18,000**	
Famiy Income: @120-180%	$72,000	$108,000	*upper*	*upper*	
Dedicated Residential Income Maximum			**$32,400**	**$27,000**	
Projected CB 12 Family Income @ Projected Market Income Level		$160,000			
Dedicated Residential Income Maximum			**$48,000**		
RESIDENTIAL UNIT SIZES		*0brs*	*1brs*	*2brs*	*3brs*
gross sf		425	550	725	850

Question 5 (cont.)

NEW-STRATEGY DEVELOPMENT METRICS: TRYON CENTER

RESIDENTIAL COSTS					
Rental Project					Rent/$ sf annual
Middle-income units:					
Famiy Income: @0-60%		0brs	1brs	2brs	3brs
per annual sf		$11	$11	$11	$11
Monthly Rents		$390	$504	$665	$779
Annual Rental Income Allocaton		$4,675	$6,050	$7,975	$9,350
Famiy Income: @60-120%		0brs	1brs	2brs	3brs
per annual sf		$22	$22	$22	$22
Monthly Rents		$779	$1,008	$1,329	$1,558
Annual Rental Income Allocaton		$9,350	$12,100	$15,950	$18,700
Famiy Income: @120-180%		0brs	1brs	2brs	3brs
per annual sf		$33	$33	$33	$33
Monthly Rents		$1,169	$1,513	$1,994	$2,338
Annual Rental Income Allocaton		$14,025	$18,150	$23,925	$28,050
Projected Famiy Income: @ Market		0brs	1brs	2brs	3brs
per annual sf		$48	$48	$48	$48
Monthly Rents		$1,700	$2,200	$2,900	$3,400
Annual Rental Incme Allocaton		$20,400	$26,400	$34,800	$40,800

Question 5 (cont.)

NEW-STRATEGY DEVELOPMENT METRICS: TRYON CENTER

Ownership Project					*Sales price/sf*
Middle-income units Ownership Prices:					
Famiy Income: @0-60%		*0brs*	*1brs*	*2brs*	*3brs*
per sf		*$110*	*$110*	*$110*	*$110*
Unit Price		$46,750	$60,500	$79,750	$93,500
Famiy Income: @60-120%		*0brs*	*1brs*	*2brs*	*3brs*
per sf		*$220*	*$220*	*$220*	*$220*
Unit Price		$93,500	$121,000	$159,500	$187,000
Famiy Income: @120-180%		*0brs*	*1brs*	*2brs*	*3brs*
per sf		*$330*	*$330*	*$330*	*$330*
Unit Price		$140,250	$181,500	$239,250	$280,500
Projected Famiy Income: @ Market: Ownership Prices		*0brs*	*1brs*	*2brs*	*3brs*
per sf		*$725*	*$725*	*$725*	*$725*
Unit Price		$308,125	$398,750	$525,625	$616,250

I

[first set of Questions submitted to Quadriad 23 Jan 11:]

Questions 6 & 7

6:

Can Quadriad please clarify if, in proposing to undertake capital improvements to Gorman Park and to be responsible for the ongoing maintenance of the park, it expects any ownership interest or control of the park.

RESPONSE TO QUESTION 6:

No,.

Quadriad does not expect nor will it seek any ownership or interest in Gorman Park or portions thereof as a consequence of the renovations. The rebuilding program will be worked out in coordination with the New York City Department of Parks and Community Board 12 including local residents assembled by the Board with an interest in the Park's future. Quadriad will provide, from ongoing project revenues, a significant contribution to the ongoing maintenance of Gorman Park, full maintenance of the new park-areas which Quadriad proposes to adjoin Gorman Park to the north of the Park as a component of the New-strategy development. Quadriad is prepared to donate these new park areas to the City; an example of what Quadriad has proposed in relation to New-strategy projects may be viewed in Quadriad's *Williamsburgh Terrace* project. New-strategy focus on small-grain local parks within neighborhoods is a general tenet of New-strategy developments adding usable local community-focused open space to the projects.

7: .

In its as-of-right development scenario, is Quadriad willing to consider the use of HPD, HDC, DHCR, HFA or other public sector programs to include a percentage of affordable units?

RESPONSE TO QUESTION 7:

No.

First: there are almost no existing programs available, and certainly no existing programs whose political and funding bases are secure. The private financing focus of the New-strategy is a way to ensure the ability of the large numbers of middle-income units to be built.

Second: the only exception to this is the "inclusionary housing program" established by the Departments of City Planning and Housing Preservation & Development, which is focused on additional "affordable" units derived from an expansion of the as-of-right density. Such a formula (a) yields very few new units, (refer to answer no. 8, immediately following), (b) provides insufficient financial incentives for its adoption by developers as a vehicle for private financing (thus it is almost unused, and it has not been adopted anywhere in the Williamsburg-Greenpoint rezoning-area for which it was originally proposed), and (c)results in a decrease to the medium long-term the New York City tax base through its sole incentive of 421.a tax abatements. This reduction in the tax revenue base of the City endangers communities, such as those in Northern-Manhattan, more forcefully than many "wealthier" areas of the City such as central Manhattan.

[second set of Questions submitted to Quadriad 14 FEB 11]

Question 8

8:
Has Quadriad spoken with any City, State or Federal funding source such as HPD, HDC, DHCR, HFA or HUD to determine the availability of subsidy funds, tax credits, etc. for the project?

RESPONSE TO QUESTION 8:
Quadriad is working closely with its mortgage banker Metropolitan Funding Corporation of New York, in coordination with the AFL-CIO Housing Investment Trust, in regard to the debt-component of the development's financing, within the structure of HUD 221.d.4 programs.

Quadriad has developed the New-strategy as a way of responding to the current crisis in public funding, whether at the City, State or Federal levels, for middle-income housing. There is simply no such funding available for development at the scale of Quadriad's goals. The only existent "affordable" new-development program provided by NYC HPD is the inclusionary housing program, reviewed in the response to Question 7 herein. To reiterate one point in regard to the inclusionary program: In exchange for the provision of such units, the developer would receive a 421.a tax abatement certificate for the development for a fifteen-year descending-value tax abatement. On principle, this results in a diminishment of New York City tax revenues for an extended period of time, a consequent diminution of other key city-services to communities such as Northern Manhattan, in exchange for very few affordable units. Quadriad is in principle opposed to such tax abatements for such little benefit to the quantitative units of middle-income housing.

For example:

A new development on 192nd Street and Broadway proposes to build 85 units of rental housing, with 20% of them "affordable" (16 units) under the inclusionary program terms—but only in exchange for a 421.a tax abatement program inclusion for the building as a whole—*market and affordable units.*

In comparison, *Tryon Center* in phase 1 alone will build 600 units, with 200 of them dedicated in-perpetuity to the indicated middle-income rent and sales levels. in phase 2 approximately 200 units will be built, with 60 of them dedicated in-perpetuity to the indicated middle-income rent and sales levels.

Therefore: as opposed to ***15*** units of affordable housing within the current inclusionary program, the New-strategy will be able to provide ***260*** units of affordable housing.

continued on next page

II

[second set of Questions submitted to Quadriad 14 FEB 11]

Question 8 (cont.)

Further, other than very special circumstances, such as the Hunters Point development in the waterfront in Queens, there are no affordable funds available for affordable or middle-income housing. Even in the case of the Hunter's Point project, the creation of the affordable housing required the complete contribution of all the land to the project from the State to the City, a circumstance made possible by the special one-time-only circumstance of this particular tract of land having been purchased originally by New York State to provide a site for the "lost" 2012 Olympics games.

In contradiction to one-time-only approaches, The New-strategy is a *normative* approach to financing significant quantities of middle-income housing for the City as a whole, using the resources and skills of the private market and the private financing sector. The New-strategy thus enables, within the governing regulatory framework of the New-strategy, monitored by NYC HPD opportunities throughout the City for constructing significant numbers—thousands, and ultimately tens-of-thousands—of units of middle-income housing, thus creating a secure residential base for the long-term retention and prospering of middle-class New York.

There is no manner in which public funding or public resources can produce the housing for middle-income New York, which the New-strategy can produce.

II

[second set of questions submitted to Quadriad 14 FEB 11]

Questions 9 & 10

9:

Can the allocation of unit types be modified to provide for more family-size units?

RESPONSE TO QUESTION 9:

Yes.

Quadriad is able and willing, within broad limits and without interrupting the carefully-rafted financing structure of the New-strategy development program, to modify the allocations of unit types for the middle-income units. The total number of square feet of middle-income devoted housing would remain constant with no reductions regardless of how the Community Board would like the distribution among studios, one-, two-, and three-bedroom apartments to be organized and allocated.

10:

Why is it necessary to rebuild the subway tunnel? Can the subway entrance be made ADA accessible by the introduction of a code-compliant ramp? What is the anticipated cost of rebuilding the subway tunnel?

RESPONSE TO QUESTION 9:

Yes.

it should be possible to add an ADA compatible ramp in the existing tunnel without any further upgrades. This is the {inadequate, in Quadriad's opinion) solution proposed in the as-of-right scheme: Quadriad would build the as-of-right scheme without touching the inside of the tunnel wall, with the agreement of the Metropolitan Transportation Authority and the NYC Department of Buildings. Any further tunnel upgrade would then be up to the MTA.

Rebuilding the subway access way a part of the New-strategy scheme, Quadriad would:

a): •make the subway tunnel from Broadway ADA accessible, and

b): •make the walk through the tunnel a secure and pleasant experience, clad in new finishes and with newly-conceived lighting;

•enhance measurably the security of the walkway;

•solve the changes in level for older neighborhood residents and young parents with baby-carriages and toddler-strollers possible;

•enable neighborhood retail uses to line the subway walkway for the convenience of home-ward bound shoppers among many other neighborhood residents; and

•enable a pleasant walkway to be created bordering Gorman Park.

The rebuilding of the walkway would create a 21st-century quality entrance to the subway.

The dollar allowance for a new and improved subway tunnel in the New-strategy scheme is proposed for review with the Board in the May 2011 presentation (no. 4), along with other infrastructure improvement costs.

Question 11

11:
What is the minimum dimension / clearance (rear yard or side yard required by zoning) between any existing building and any of the proposed new buildings?

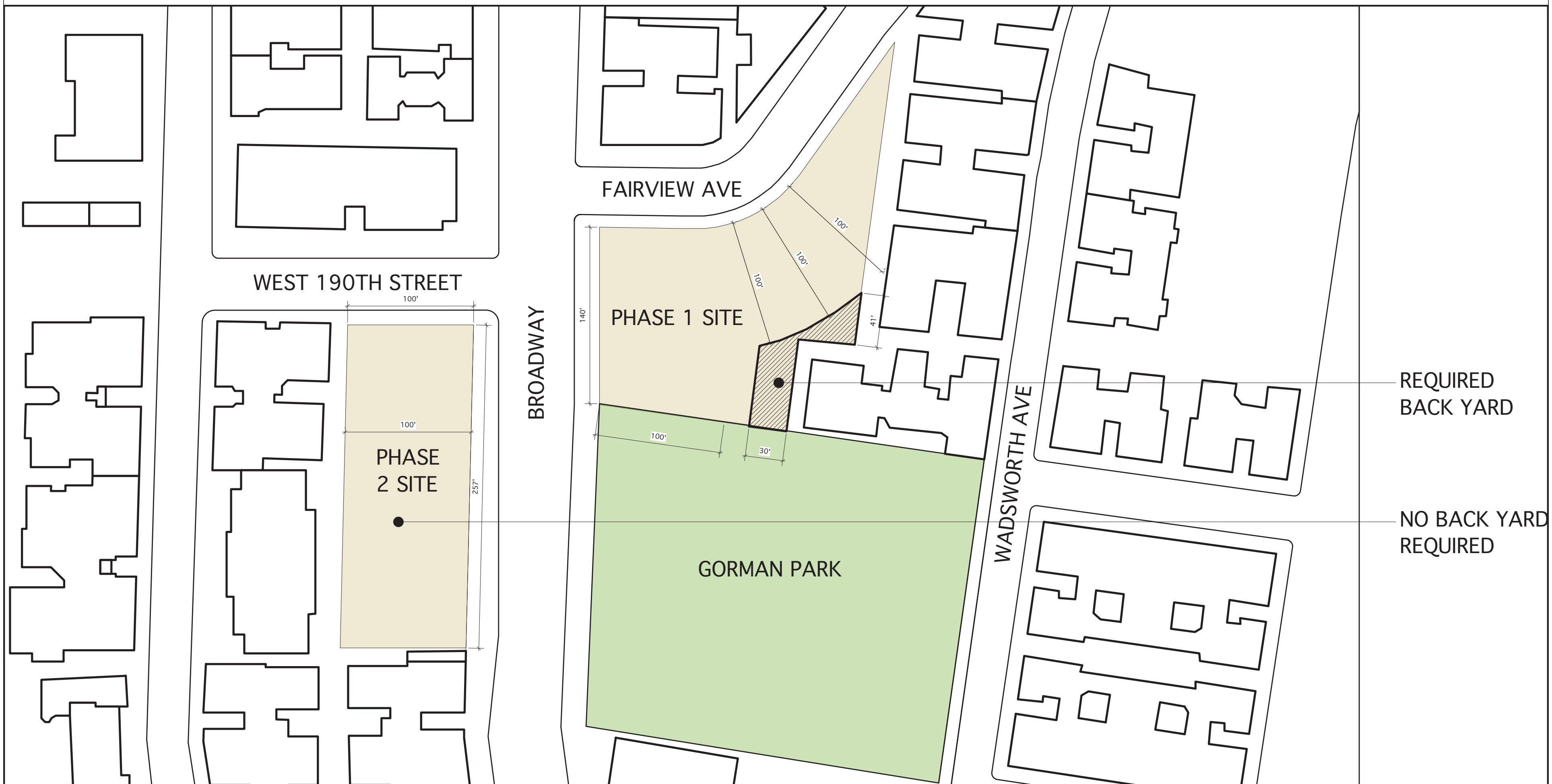
RESPONSE TO QUESTION 11:
The zoning code requires a rear yard of no less than 30 feet depth along the rear lot line, and on corner lots also along side lot lines, beyond 100 feet of the street line (aka: front lot line). Both, the phase one site west of Broadway as well as the phase two site east of Broadway are corner lots. Please see the image on page 17 for the location and extend of the required rear yards.

The phase one schemes, west of Broadway: no part of the towers, neither in the As-of-right-scheme nor in the New-strategy scheme, is located within the required rear yards. However, due to the unusual topographic situation of this lot, we are proposing (in both schemes), a single loaded corridor building along the face of the rock, 'hiding' the exposed steel supports of the existing buildings along Wadsworth Terrace. This building remains below the lowest inhabited floor of the neighboring buildings along Wadsworth Terrace, hiding the currently exposed open frame structural support and the existing natural rock face. The idea of the back yards is of course to provide distance to the back and side neighbors, and the level of such yard is defined as "no higher than curb level, except that natural grade level need not be disturbed" – seen from the back side, we are way below curb level and pose no interference with the existing neighboring buildings. The proposed building portion along the back rock face of our phase 1 site remains certainly below the basement level of the neighboring buildings along Wadsworth Terrace, and we therefore think it does not interfere with the rear yard zoning requirements. Please see page 18 for an illustration of this matter.

Side yards: No side yards are required according to the zoning code in R7-2. However, should a side yard be provided, it shall be no less than eight feet wide. Quadriad does not intend to provide a side yard in the two proposed schemes.

continued on next page

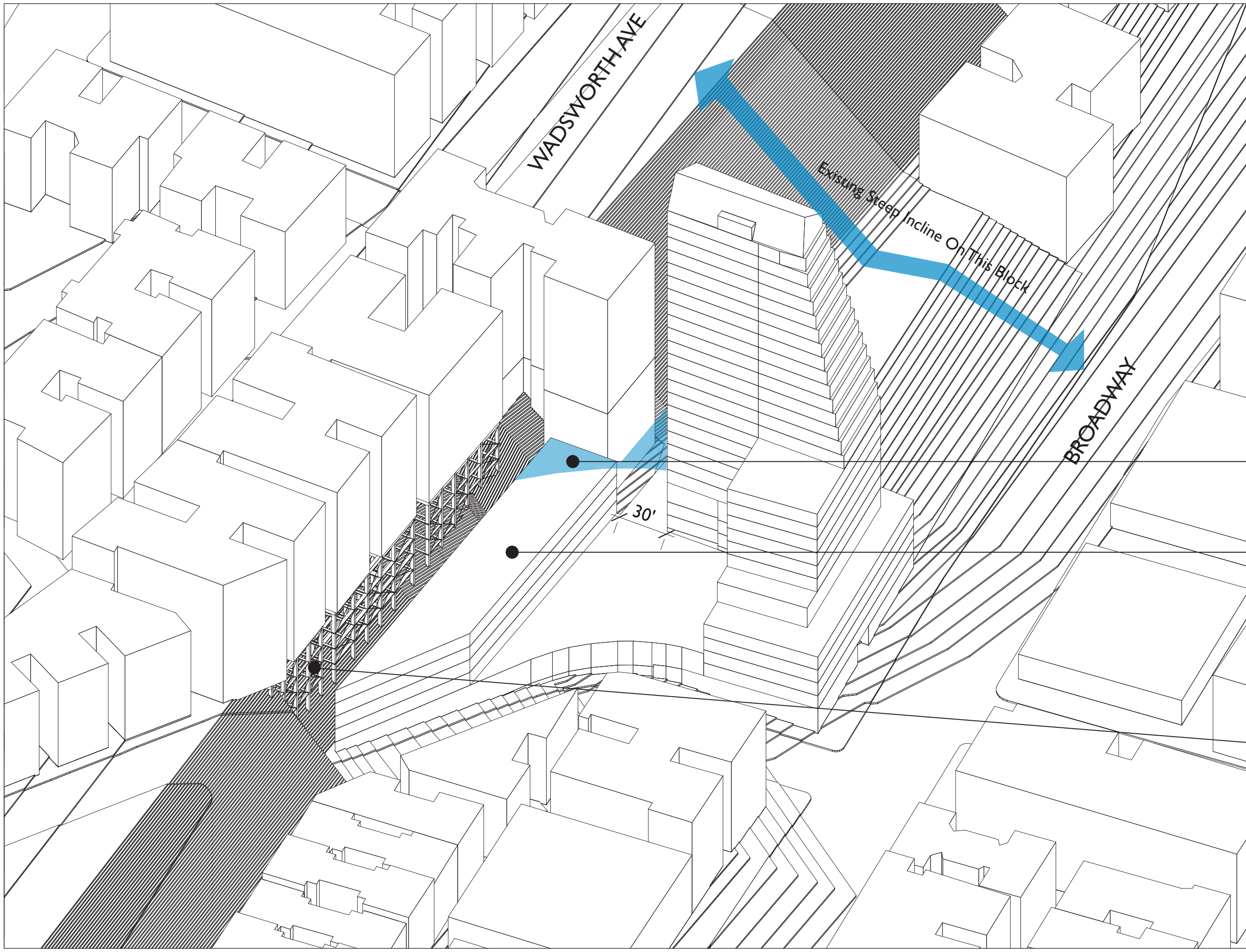
Question 11 (cont.)



II

[second set of questions submitted to Quadriad 14 FEB 11]

Question 11 (cont.)



Required Rear Yard Above Proposed Buildin, Below Neighbor Buildings

Proposed Building On Lot Line Against Exposed Structural Support And Natural Rock Beyond

Existing Exposed Structural Supports And Natural Rock Beyond

QUADRIAD

II

[second set of questions submitted to Quadriad 14 FEB 11]

Questions 12 & 13

12:

Many buildings in the area are built on hillside sites and are supported with exposed steel frame structures. What impact would site excavation, blasting etc. have on the stability of these existing structures? Can new construction occur safely in close proximity to these buildings?

RESPONSE TO QUESTION 12:

Yes, new construction is possible in close proximity to existing buildings and existing exposed structural support. Site excavation will commence following all required security measures typical for excavations in New York City next to existing foundations. The stability of the existing structures will not be compromised.

Quadriad will employ *only* experienced union personnel on the construction of the project. The noted geo-technical engineering firm of Mueser-Rutledge, with whom Quadriad has worked previously, will cooperate with the ultimate structural engineering firm in all below-grade construction work associated with the development.

13:

Is the local utilities and infrastructure sufficient to accommodate the either of the two proposed development scenarios for the project? What improvements to utilities and infrastructure are needed? What environmental remediation is needed?

RESPONSE TO QUESTION 13:

Quadriad will provide for the May 2011 Community Board Land-use Committee meeting an introductory review of the impacts of the proposed New-strategy development on the following:

- local water supply;
- local severage;
- local electricity; demand;
- transportation: subway and bus;
- transportation: vehicular;
- public schools population and new demand, including the proposed day-care community facility;
- New-strategy LEED certification standards.

III

[third set of questions submitted to Quadriad 15 FEB 11]

Question 14

14:
At what venue and meeting did NY 1 record its interview with Quadriad?

RESPONSE TO QUESTION 14:

NY 1 approached Quadriad after the initial meeting with Manhattan Community Board 12 (we believe they saw an article in the Manhattan Times) and requested an interview at our office. We agreed to this. The NY one reporters filmed the Quadriad team in our conference room here on 36th Street on FEB, 4th

IV

Table

Comparing As-Of-Right with New-strategy

	As of Right	New-Strategy
Residential		
• Standard Market: No. of Units	216	454
• Affordable: No. of Units	0	198
- Income Level 1 (up to 60% median income)	0	66
- Income Level 2 (up to 120% median income)	0	66
- Income Level 3 (up to 180% median income)	0	66
Infrastructure		
• New Subway Connection	None	New Connection
Park and Open Space		
• Gorman Park	None	Rehabilitation
• New Public Park & Open Space	None	20,000 SF

	As of Right	New-Strategy
Retail		
• General Retail	37,500 SF	25,000 SF
• Community Retail	0	12,500 SF
Community Facility		
• Health	20,000 SF	20,000 SF
• Day Care	20,000 SF	20,000 SF
• Library Branch	20,000 SF	20,000 SF
Community Board !2		
•Participation	47,000 SF	47,000 SF
• Duration	40,000 SF	40,000 SF

Memorandum and worksheets: QUADRIAD to HPD COMMISSIONER Shaun Donovan / June 2007
The New-strategy Economic Rationale and the New-strategy FAR Multiple of 2.75

The New-strategy Financial Formula

The following appendix is excerpted from a longer 2007-2008 document prepared for New York City Housing Commissioner Shaun Donovan as part of the overall New-strategy discussion with HPD during the early approval stages of the "Williamsburgh Terrace" development--the initial presentation to the City of a New-strategy proposed development. This document describes the basic structure of the New-strategy FAR bonus metric of 2.75% multiple of the base as-of-right zoning. The pro-forma which follows the basic description diagrams reviews comparative financing metrics and their ultimate financial yield--and the rationale for the 2.75% factor for the New-strategy. Quadriad will review, if the Board desires, this presentation in detail.

QUADRIAD

QUADRIAD REALTY PARTNERS
WILLIAMSBURGH TERRACE OPTIONS
JULY 2007

MEMORANDUM
TO: SHAUN DONOVAN, HPD
HOLLY LEICHT, HPD

PREFACE

Dear Holly Leicht,

On behalf of Quadriad Realty Partners and the Board of The People's Firehouse, Williamsburg, I am attaching a two-part memorandum regarding Wiliamsburgh Terrace, following up on our May meeting in your offices with you and Commissioner Donovan.

The first section, "Part 1," diagrams a general formula and the corresponding purposes to which the additional density that the formula yields would be used. This is, in effect, a "development formula" in support of a general market::affordable cross-subsidy strategy which eliminates any need for public subsidy funds in building, on-site, the proposed 90 affordable units at Williamsburgh Terrace. The uncertain availability and, indeed, current exhaustion of such public funds has recently been noted. This uncertainty is one of the issues the proposed Williamsburgh Terrace development structure seeks to address.

The subsequent "Part 2" of the presentation, presents a pro-forma financial summary and economic analysis of the development options for Williamsburgh Terrace within the framework of (1)current Williamsburg [re]zoning, (2) analogous city-wide zoning, and (3)the underlying zoning proposal that serves as a basis for discussion of the cross-subsidization proposal of Williamsburgh Terrace project. In effect, this pro-forma presents the shortfalls of frameworks 1 and 2, and the remedy of framework 3.

I anticipate that there will be questions, reactions, and need for further clarification regarding what we have presented in the pro-forma. We look forward to reviewing these with you at your earliest convenience.

In the interim we are proceeding with the Community Board discussions, a further round of discussion with City and State officialdom, and the completion of the as-of-right construction documents for an early August groundbreaking. We are happy to share these plans with you if you so desire.

Sincerely,

Herman Badillo, chairman
Henry Wollman, president
Quadriad Realty Partners
New York

cc: Ms. Del Teague
Chaiperson,
The People's Firehouse,
Williamsburg, Brooklyn

QUADRIAD REALTY PARTNERS
WILLIAMSBURGH TERRACE OPTIONS
JULY 2007

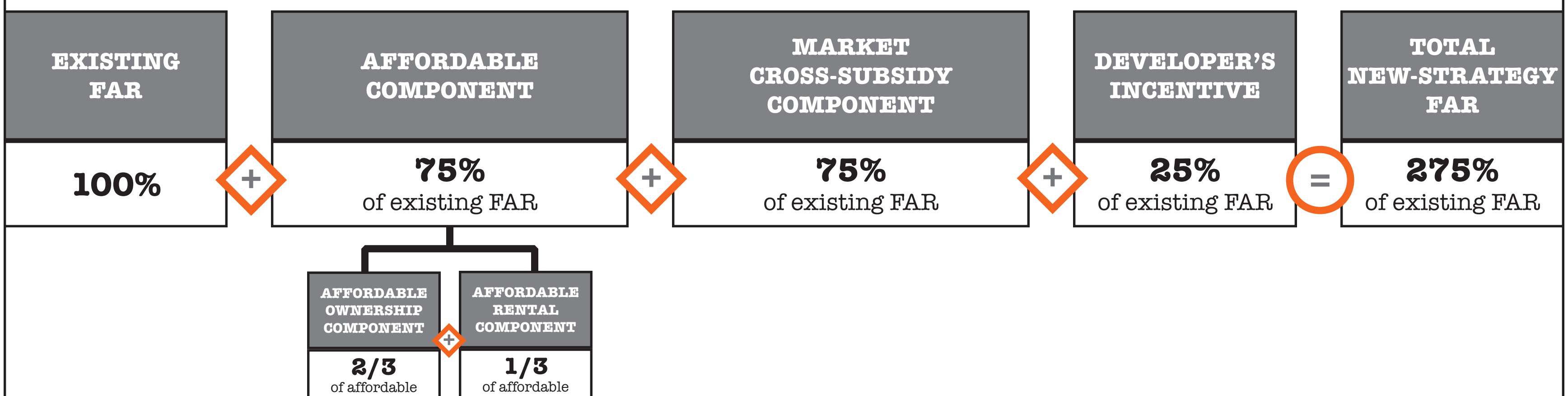
CONTENTS

QUADRIAD WILLIAMSBURGH TERRACE

WILLIAMSBURGH TERRACE OPTIONS: NEW-STRATEGY ZONING ANALYSIS

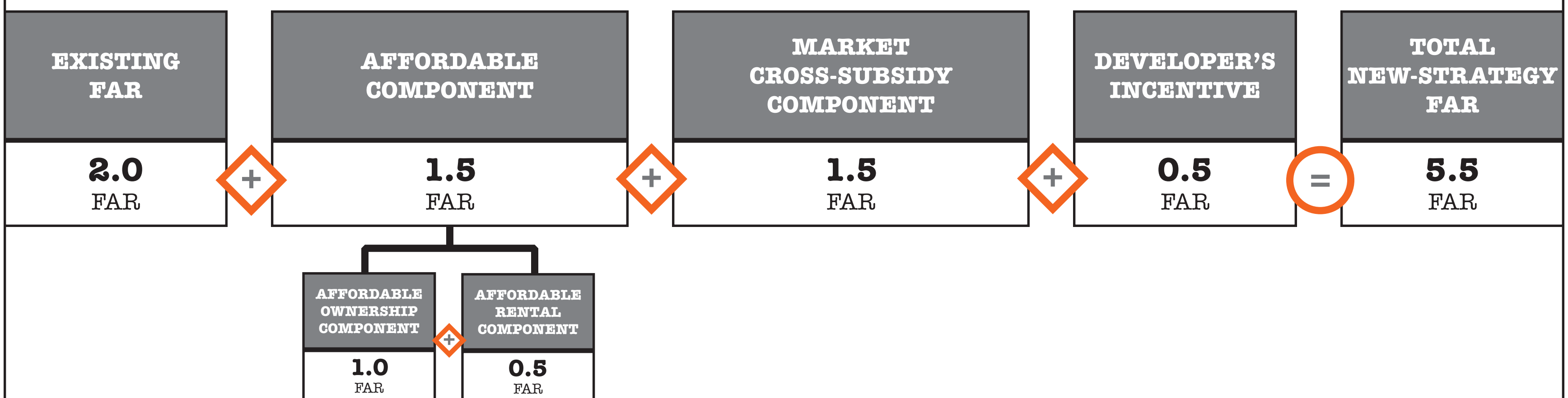
JULY 2007 / PART 1 / P. 1

CHART A: INTERNAL CROSS-SUBSIDIZATION STRUCTURE
DETAILED DISTRIBUTION FORMULA
EXPRESSED AS PERCENTAGE OF BASE



QUADRIAD WILLIAMSBURGH TERRACE
WILLIAMSBURGH TERRACE OPTIONS: NEW-STRATEGY ZONING ANALYSIS
JULY 2007 / PART I / P. 2

CHART B: INTERNAL CROSS-SUBSIDIZATION STRUCTURE
DETAILED DISTRIBUTION FORMULA
EXPRESSED AS FLOOR AREA RATIO



QUADRIAD WILLIAMSBURGH TERRACE

WILLIAMSBURGH TERRACE OPTIONS: NEW-STRATEGY ZONING ANALYSIS

JULY 2007 / PART I / P. 3

CHART C: INTERNAL CROSS-SUBSIDIZATION STRUCTURE
DETAILED DISTRIBUTION FORMULA
EXPRESSED AS NUMBER OF UNITS

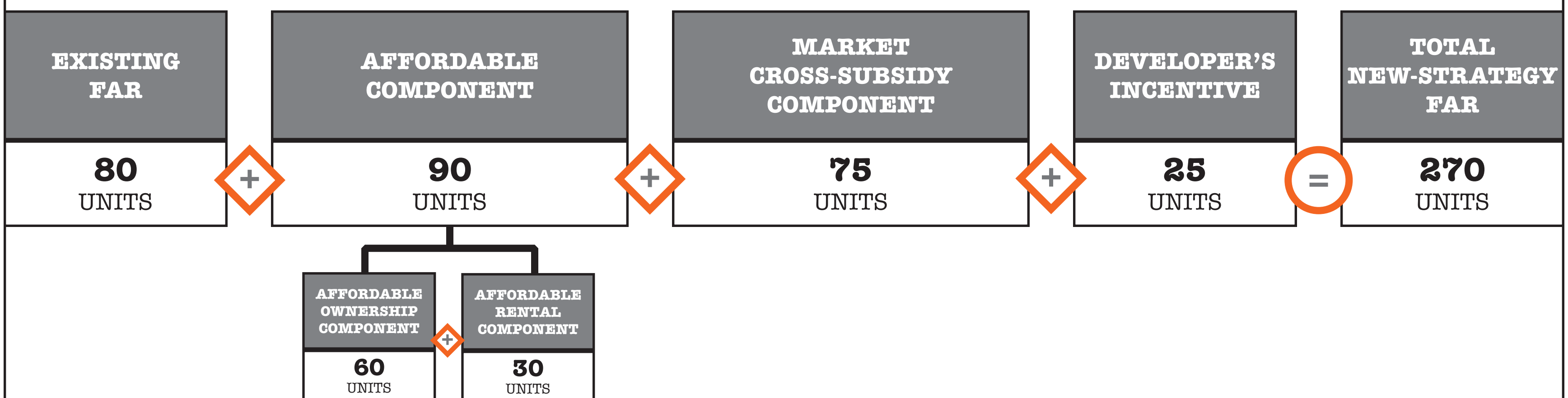


CHART D: INTERNAL CROSS-SUBSIDIZATION STRUCTURE
DETAILED DISTRIBUTION FORMULA
EXPRESSED AS PROFIT PER SF

PROFIT PER A-O-R SF		SHORTFALL PER AFFORDABLE SF		PROFIT PER ADDITIONAL MARKET SF FOR CROSS-SUBSIDY		PROFIT PER ADDITIONAL MARKET SF AS INCENTIVE		AGGREGATE PROFIT PER TOTAL SF
$60 for 2.0 FAR	+	**($230)** for 1.5 FAR	+	**$260** for 1.5 FAR	+	**$260** for 0.5 FAR	=	**$115** for 5.5 FAR

QUADRIAD WILLIAMSBURGH TERRACE
COMPARING EXISTING ZONING / NEW-STRATEGY
JULY 2007 / PART 2 / P. 1

	A	B	C	D	E	F	G	H	I	J
1	A:	CURRENT WILLIAMSBURG ZONING						NYC ZONING		NEW STRATEGY
2	SUMMARY:	A: 2.0 far	B: 2.2 far	C: 2.7 far	D: 3.6 far	E: 3.45 far	F: 4.6 far	G: 3.0 far	H: 4.0 far	J: 5.5 far
3	SUBSIDY OPTIONS	R6B/ A-O-R	R6B/ 80-20	R6A/ A-O-R	R6A/ 80-20	R7A/ A-O-R	R7A/ 80-20	R6A/ A-O-R	R6A/ 80-20	R6-AF/ 65-35
4		AOR	W-G INCLUSION	AOR	W-G INCLUSION	AOR	W-G INCLUSION	AOR	NYC INCLUSION	NEW-STRATEGY
5	1 BASE FAR	82,850	82,850	111,848	111,848	142,916	142,916	124,275	124,275	82,850
6	2 INCLUSIONARY or NEW-STRTGY ADDED MKT SF.	0	(9,942)	0	7,456	0	9,528	0	8,285	84,759
7	3 INCLUSIONARY or NEW-STRATEGY AFFORDABLE SF.	0	18,227	0	29,826	0	38,111	0	33,140	60,228
8	3a AFFORDABLE: OWNERSHIP # UNITS	0	0	0	0	0	0	0		60
9	3b AFFORDABLE: RENTAL # UNITS	0	24	0	43	0	54	0	47	30
10	4 AFFORDABLE $ SHORTFALL (NET DEVELOPMENT LOSS)	0	($7,345,280)	0	($9,746,950)	0	($12,395,235)	0	($10,785,410)	($13,873,600)
11	5 REQUIRED EXTERNAL $ SUBSIDY	0	($7,345,280)	0	($9,746,950)	0	($12,395,235)	0	($10,785,410)	$0
12	5a REQUIRED EXTERNAL $ SUBSIDY PER UNIT	0	($302,242)	0	($228,756)	0	($227,668)	0	($227,815)	$0
13	6 ADDED MKT SF FOR INTERNAL NEW-STRATEGY CROSS-SUBSIDY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	53,360
14										

QUADRIAD WILLIAMSBURGH TERRACE
COMPARING EXISTING ZONING / NEW-STRATEGY
JULY 2007 / PART 2 / P. 2

	A	B	C	D	E	F	G	H	I	J
15	**B:**	**CURRENT WILLIAMSBURG ZONING**						**NYC ZONING**		**NEW STRATEGY**
16	**PRECIS**	A: 2.0 far	B: 2.2 far	C: 2.7 far	D: 3.6 far	E: 3.45 far	F: 4.6 far	G: 3.0 far	H: 4.0 far	J: 5.5 far
17		**R6B/ A-O-R**	**R6B/ 80-20**	**R6A/ A-O-R**	**R6A/ 80-20**	**R7A/ A-O-R**	**R7A/ 80-20**	**R6A/ A-O-R**	**R6A/ 80-20**	**R6-AF/ 65-35**
18		*AOR*	*W-G INCLUSION*	*AOR*	*W-G INCLUSION*	*AOR*	*W-G INCLUSION*	*AOR*	*NYC INCLUSION*	*NEW-STRATEGY*
19	**MAXIMUM FAR**	*2*	*2.2*	*2.7*	*3.6*	*3.45*	*4.6*	*3*	*4*	*5.5*
20	**INCLUSIONNARY BONUS PERCENTAGE**		*10%*		*33%*		*33%*		*33%*	
21										
22	***BASE FAR CALCULATIONS:***									
23	SITE SIZE	41,425	41,425	41,425	41,425	41,425	41,425	41,425	41,425	41,425
24	TOTAL A-O-R FAR SF	82,850	82,850	111,848	111,848	142,916	142,916	124,275	124,275	82,850
25	"INCLUSIONARY" ADDED SF UNDER CURRENT ZONING BONUS	0	8,285	0	37,283	0	47,639	0	41,425	n/a
26	TOTAL DEVELOPABLE FAR SF UNDER CURRENT ZONING	82,850	91,135	111,848	149,130	142,916	190,555	124,275	165,700	227,838
27										
28	*INCLUSIONARY DEVELOPABLE SF:*									
29	TOTAL INCUSIONARY MKT. SF UNDER CURRENT ZONING	82,850	72,908	111,848	119,304	142,916	152,444	124,275	132,560	n/a
30	*"INCLUSIONARY" ADDED MARKET. SF @ 20% OF NEW TOTAL SF.*	*0*	*(9,942)*	*0*	*7,456*	*0*	*9,528*	*0*	*8,285*	*n/a*
31	ADDED MARKET SF UNDER NEW-STRATEGY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	84,759
32	"INCLUSIONARY" ADDED AFFORDABLE. SF @ 80% OF NEW TOTAL SF.	0	18,227	0	29,826	0	38,111	0	33,140	n/a
33	ADDED AFFORDABLE SF UNDER NEW-STRATEGY	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	60,228
34										
35	*UNIT COUNT:*									
36	*current:*									
37	CURRENT ZONING MARKET UNITS: OWNERSHIP/*approx.*	83	77	124	133	159	169	138	147	n/a
38	CURRENT ZONING AFFORDABLE UNITS: OWNERSHIP/*approx.*	0	0	0	0	0	0	0	0	n/a
39	CURRENT ZONING AFFORDABLE UNITS: RENTAL/*approx.*	0	24	0	43	0	54	0	47	n/a
40	*proposed:*									
41	NEW-STRATEGY MARKET UNITS: OWNERSHIP/*approx.*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	180
42	NEW-STRATEGY AFFORDABLE UNITS: OWNERSHIP/*approx.*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	60
43	NEW-STRATEGY AFFORDABLE UNITS: RENTAL/*approx.*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	30
44										
45	*PROFIT/LOSS:*									
46	**AFFORDABLE DEVELOPMENT COST**		**$8,859,710**		**$12,305,290**		**$15,699,225**		**$13,642,010**	**$23,831,364**
47	**AFFORDABLE UNIT INCOME:RENT@$100CAP/OWNER@$220AVG**		**$1,514,430**		**$2,558,340**		**$3,303,990**		**$2,856,600**	**$9,957,764**
48	BONUS MKT PROFIT		($595,615)		$1,255,256		$1,896,687		$1,199,789	$24,558,285
49	NET PROFIT/LOSS OF SF BEYOND A-O-R		($7,940,895)		($8,491,694)		($10,498,548)		($9,585,622)	$10,684,685

QUADRIAD WILLIAMSBURGH TERRACE
COMPARING EXISTING ZONING / NEW-STRATEGY
JULY 2007 / PART 2 / P. 3

	A	B	C	D	E	F	G	H	I	J
50	**C: ZONING**	**CURRENT WILLIAMSBURG ZONING OPTIONS**						**NYC ZONING**		**NEW STRATEGY**
51		**A:** *2.0 far*	**B:** *2.2 far*	**C:** *2.7 far*	**D:** *3.6 far*	**E:** *3.45 far*	**F:** *4.6 far*	**G:** *3.0 far*	***H:*** *4.0 far*	**J:** *5.5 far*
52		**R6B/ A-0-R**	**R6B/ 80-20**	**R6A/ A-0-R**	**R6A/ 80-20**	**R7A/ A-0-R**	**R7A/ 80-20**	**R6A/ A-0-R**	**R6A/ 80-20**	**R6-AF/ 65-35**
53		*AOR*	*W-G INCLUSION*	*AOR*	*W-G INCLUSION*	*AOR*	*W-G INCLUSION*	*AOR*	*NYC INCLUSION*	*NEW-STRATEGY*
54										
55	***A. W-G REZONING***									
56	FAR: BASE (AS-OF-RIGHT)	**2.00**	2.00	**2.70**	2.70	**3.45**	3.45			
57	FAR: BASE (INCUSIONARY)		**2.20**		**3.60**		**4.60**			
58	PERCEDNTAGE [%] TOTAL FAR INCREASE		**10.00%**		**33.30%**		**33.30%**			
59	INCLUSIONARY F.A.R.MARKET COMPONENT		1.76		2.88		3.68			
60	INCUSIONARY F.A.R. AFFORDABLE COMPONENT		0.44		0.72		0.92			
61										
62	***B. NYC ZONING***									
63	FAR: BASE (AS-OF-RIGHT)							**3.00**	3.00	
64	FAR: BASE (INCUSIONARY)								**4.00**	
65	PERCEDNTAGE [%] TOTAL FAR INCREASE								**33.30%**	
66	INCLUSIONARY F.A.R.MARKET COMPONENT								3.20	
67	INCUSIONARY F.A.R. AFFORDABLE COMPONENT								0.80	
68										
69	*C. FAR: NEW-STRATEGY*									
70	FAR: EXISTING A-o-R BASE									**2.00**
71	F.A.R. AFFORDABLE OWNERSHIP COMPONENT									**1.50**
72	F.A.R. MARKET CROSS-SUBSIDY COMPONENT									1.50
73	FAR DEVELOPER MARKET INCENTIVE COMPONENT									0.50
74	FAR TOTAL: NEW-STRATEGY									**5.50**
75	PERCEDNTAGE [%] TOTAL FAR INCREASE									**275.00%**
76	MKT:AFF F.A.R.									4.00:1.50
77	MKT:AFF RATIO									65%-35% *ratio*
78										
79	*D. SUMMMARY AMONG ALTERNATIVES*									
80	AFFORDABLE AS % OF NEW BASE F.A.R.	0%	20%	0%	20%	0%	20%	0%	20%	27%
81	AFFORDABLE AS % OF MARKET		25%		25%		25%		25%	35%
82	ADDED MARKET FAR SF INCREASE ABOVE BASE MARKET FAR SF		(0.24)		0.18		0.23		0.2	n/a
83	ADDED MARKET FAR % INCREASE ABOVE BASE MARKET FAR		-12.00%		6.67%		6.67%		6.67%	n/a

QUADRIAD WILLIAMSBURGH TERRACE
COMPARING EXISTING ZONING / NEW-STRATEGY
JULY 2007 / PART 2 / P. 4

	A	B	C	D	E	F	G	H	I	J
84	**D: DEVELOPMENT SCOPE**	**CURRENT WILLIAMSBURG ZONING**						**NYC ZONING**		**NEW STRATEGY**
85		A: 2.0 far	B: 2.2 far	C: 2.7 far	D: 3.6 far	E: 3.45 far	F: 4.6 far	G: 3.0 far	H: 4.0 far	J: 5.5 far
86		R6B/ A-O-R	R6B/ 80-20	R6A/ A-O-R	R6A/ 80-20	R7A/ A-O-R	R7A/ 80-20	R6A/ A-O-R	R6A/ 80-20	R6-AF/ 65-35
87		AOR	W-G INCLUSION	AOR	W-G INCLUSION	AOR	W-G INCLUSION	AOR	NYC INCLUSION	NEW-STRATEGY
88	***A. SPECIFIC DEVELOPMENT SCOPE:***									
89	SITE AREA	41,425	41,425	41,425	41,425	41,425	41,425	41,425	41,425	41,425
90	DENSITY MULTIPLE (FAR)	200%	220%	270%	360%	345%	460%	300%	400%	550%
91	B.									
92	*ABOVE-GRADE (FAR ACCOUNTABLE)*									
93	Retail	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
94	Residential:	75,850	84,135	104,848	142,130	135,916	183,555	117,275	158,700	220,838
95	*Inclusionary Bonus Res SF*	n/a	8,285	n/a	37,283	n/a	47,639	n/a	41,425	n/a
96	Res Mkt SF	75,850	67,308	104,848	113,704	135,916	146,844	117,275	126,960	160,609
97	Res Aff SF	0	16,827	0	28,426	0	36,711	0	31,740	60,228
98	On main-site	0	*10,077*	0	*21,676*	0	*29,961*	0	*24,990*	*60,228*
99	On ancillary-site	0	*6,750*	0	*6,750*	0	*6,750*	0	*6,750*	*0*
100	Market Units (approx.)	83	77	124	133	159	169	138	147	180
101	Affordable Units (approx.)	0	24	0	41	0	52	0	45	90
102	Ownership	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*60*
103	Rental	*0*	*24*	*0*	*41*	*0*	*52*	*0*	*45*	*30*
104	C.									
105	*ADDED UNITS AGAINST R6B A-O-R BASE*		24	0	41	0	52	0	45	86
106	Additional market units against existing R6B A-O-R base (approx.)	[BASE = 83]	-6	41	50	76	87	55	64	97
107	Additional affordable units against existing base (approx.)	n/a	[BASE = 21]	n/a	9	n/a	18	n/a	13	68
108	D.									
109	*BELOW-GRADE NON-FAR*	82,850	82,850	82,850	82,850	82,850	82,850	82,850	82,850	82,850
110	E.									
111	*SUMMARY: ABOVE-GRADE RESIDENTIAL FAR*									
112	Residential Market	75,850	67,308	104,848	113,704	135,916	146,844	117,275	126,960	160,609
113	Residential Affordable	0	16,827	0	28,426	0	36,711	0	31,740	60,228

QUADRIAD WILLIAMSBURGH TERRACE
COMPARING EXISTING ZONING / NEW-STRATEGY
JULY 2007 / PART 2 / P. 5

	A	B	C	D	E	F	G	H	I	J
114	**E:**	**CURRENT WILLIAMSBURG ZONING**						**NYC ZONING**		**NEW STRATEGY**
115	**PRO-FORMA OUTLINE**	A: *2.0 far*	B: *2.2 far*	C: *2.7 far*	D: *3.6 far*	E: *3.45 far*	F: *4.6 far*	G: *3.0 far*	H: *4.0 far*	J: *5.5 far*
116		**R6B/ A-0-R**	**R6B/ 80-20**	**R6A/ A-0-R**	**R6A/ 80-20**	**R7A/ A-0-R**	**R7A/ 80-20**	**R6A/ A-0-R**	**R6A/ 80-20**	**R6-AF/ 65-35**
117		*AOR*	*W-G INCLUSION*	*AOR*	*W-G INCLUSION*	*AOR*	*W-G INCLUSION*	*AOR*	*NYC INCLUSION*	*NEW-STRATEGY*
118	***COST SUMMMARY by PROJECT ELEMENT:***									
119	**ACQUISITION:**									
120	Main-site:	$22,000,000	$22,000,000	$22,000,000	$22,000,000	$22,000,000	$22,000,000	$22,000,000	$22,000,000	$22,000,000
121	*attributed: market residential (@ approx. $175sf)*	*$15,000,000*	*$15,000,000*	*$15,000,000*	*$15,000,000*	*$15,000,000*	*$15,000,000*	*$15,000,000*	*$15,000,000*	*$15,000,000*
122	*attributed: on-site affordable residential acquisition (@ approx. $125/*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*
123	*attributed: market retail (@$85sf)*	*$7,000,000*	*$7,000,000*	*$7,000,000*	*$7,000,000*	*$7,000,000*	*$7,000,000*	*$7,000,000*	*$7,000,000*	*$7,000,000*
124	Ancillary-site: *("Firehouse" property on Berry)*	$0	$843,750	$0	$843,750	$0	$843,750	$0	$843,750	$0
125	TOTAL RESIDENTIAL ACQUISITION	$15,000,000	$15,843,750	$15,000,000	$15,843,750	$15,000,000	$15,843,750	$15,000,000	$15,843,750	
126										
127	**CONSTRUCTION:** ***(hard costs+const. general conditions/associated fees and expenses in dev exps lines)***									
128	Main-site below-grade	$13,266,000	$14,084,500	$13,266,000	$14,084,500	$13,670,250	$14,498,750	$13,256,000	$14,084,500	$14,498,750
129	*attributed to market residential*	*$7,296,300*	*$6,495,440*	*$7,296,300*	*$6,495,440*	*$7,518,638*	*$6,826,840*	*$7,290,800*	*$6,495,440*	*$6,826,840*
130	*attributed to affordable residential (assignment)*	*$0*	*$1,619,360*	*$0*	*$1,619,360*	*$0*	*$1,702,210*	*$0*	*$1,619,360*	*$1,702,210*
131	*attributed to retail*	*$5,969,700*	*$5,969,700*	*$5,969,700*	*$5,969,700*	*$6,151,613*	*$5,969,700*	*$5,965,200*	*$5,969,700*	*$5,969,700*
132	Main-site above-grade	$19,884,000	$20,507,240	$26,843,400	$36,306,900	$36,443,644	$48,708,325	$30,447,375	$41,327,000	$62,656,313
133	*attributed to market residential*	*$17,884,000*	*$15,480,840*	*$24,843,400*	*$28,994,820*	*$34,443,644*	*$38,913,660*	*$28,447,376*	*$33,009,600*	*$44,550,000*
134	*attributed to affordable residential*	*$0*	*$3,026,400*	*$0*	*$5,312,080*	*$0*	*$7,794,665*	*$0*	*$6,317,400*	*$16,106,313*
135	*attributed to retail*	*$2,000,000*	*$2,000,000*	*$2,000,000*	*$2,000,000*	*$2,000,000*	*$2,000,000*	*$2,000,000*	*$2,000,000*	*$2,000,000*
136	Ancillary-site [sf]									
137	*attributed to affordable residential, including fdn-basement*	$0	$1,687,500	$0	$1,687,500	$0	$1,687,500	$0	$1,687,500	$0
138	TOTAL RESIDENTIAL CONSTRUCTION	$25,180,300	$28,309,540	$32,139,700	$44,109,200	$41,962,282	$56,924,875	$35,738,176	$49,129,300	$69,185,363
139										
140	**PROJECT DEVELOPMENT EXPENSES**	**$13,421,700**	**$13,175,525**	**$16,061,700**	**$19,276,430**	**$19,809,950**	**$23,874,605**	**$17,575,000**	**$21,115,700**	**$27,290,222**
141	*attributed to market residential*	*$9,921,700*	*$8,413,500*	*$12,561,700*	*$13,644,480*	*$16,309,950*	*$17,621,280*	*$14,075,000*	*$15,235,200*	*$19,273,091*
142	*attributed to affordable residential*	*$0*	*$1,262,025*	*$0*	*$2,131,950*	*$0*	*$2,753,325*	*$0*	*$2,380,500*	*$4,517,131*
143	*attributed to retail*	*$3,500,000*	*$3,500,000*	*$3,500,000*	*$3,500,000*	*$3,500,000*	*$3,500,000*	*$3,500,000*	*$3,500,000*	*$3,500,000*
144										
145	**FINANCING INTEREST/FEES**	**$5,500,000**	**$4,886,075**	**$5,818,136**	**$6,927,330**	**$7,216,231**	**$8,625,755**	**$6,377,375**	**$7,707,700**	**$9,833,119**
146	*attributed to market residential*	*$4,400,000*	*$3,365,400*	*$4,654,509*	*$5,541,864*	*$5,772,985*	*$6,900,604*	*$5,101,900*	*$6,166,160*	*$7,227,409*
147	*attributed to affordable residential*	*$0*	*$420,675*	*$0*	*$710,650*	*$0*	*$917,775*	*$0*	*$793,500*	*$1,505,710*
148	*attributed to retail*	*$1,100,000*	*$1,100,000*	*$1,100,000*	*$1,100,000*	*$1,100,000*	*$1,100,000*	*$1,100,000*	*$1,100,000*	*$1,100,000*

QUADRIAD WILLIAMSBURGH TERRACE
COMPARING EXISTING ZONING / NEW-STRATEGY
JULY 2007 / PART 2 / P. 6

	A	B	C	D	E	F	G	H	I	J
149	**F:**	**CURRENT WILLIAMSBURG ZONING**						**NYC ZONING**		**NEW STRATEGY**
150	**RESIDENTIAL $$ COST**	A: 2.0 far	B: 2.2 far	C: 2.7 far	D: 3.6 far	E: 3.45 far	F: 4.6 far	G: 3.0 far	H: 4.0 far	J: 5.5 far
151		R6B/ A-0-R	R6B/ 80-20	R6A/ A-0-R	R6A/ 80-20	R7A/ A-0-R	R7A/ 80-20	R6A/ A-0-R	R6A/ 80-20	R6-AF/ 65-35
152		AOR	W-G INCLUSION	AOR	W-G INCLUSION	AOR	W-G INCLUSION	AOR	NYC INCLUSION	NEW-STRATEGY
153	***SUMMMARY by RESIDENTIAL COMPONENT:***									
154	TOTAL MARKET RESIDENTIAL COSTS	$54,502,000	$48,755,180	$64,355,909	$69,676,604	$79,045,216	$85,262,384	$69,915,076	$75,906,400	$92,877,340
155	TOTAL AFFORDABLE RESIDENTIAL COSTS	$0	$8,859,710	$0	$12,305,290	$0	$15,699,225	$0	$13,642,010	$23,831,364
156	**TOTAL PROJECT RESIDENTIAL COSTS**	**$54,502,000**	**$57,614,890**	**$64,355,909**	**$81,981,894**	**$79,045,216**	**$100,961,609**	**$69,915,076**	**$89,548,410**	**$116,708,704**
157										
158	MARKET RESIDENTIAL PORTION OF COSTS									
159	TOTAL	$54,502,000	$48,755,180	$64,355,909	$69,676,604	$79,045,216	$85,262,384	$69,915,076	$75,906,400	$92,877,340
160	***ACQUISITION***	$15,000,000	$15,000,000	$15,000,000	$15,000,000	$15,000,000	$15,000,000	$15,000,000	$15,000,000	$15,000,000
161	*CONSTRUCTION*	$25,180,300	$21,976,280	$32,139,700	$35,490,260	$41,962,282	$45,740,500	$35,738,176	$39,505,040	$51,376,840
162	*DEVELOPMENT*	$9,921,700	$8,413,500	$12,561,700	$13,644,480	$16,309,950	$17,621,280	$14,075,000	$15,235,200	$19,273,091
163	*FINANCE*	$4,400,000	$3,365,400	$4,654,509	$5,541,864	$5,772,985	$6,900,604	$5,101,900	$6,166,160	$7,227,409
164	PER GROSS MARKET SF.									
165	*market residential acquisition*	$198	$223	$143	$132	$110	$102	$128	$118	$93
166	*market residential construction*	$332	$327	$307	$312	$309	$311	$305	$311	$320
167	*market residential development*	$131	$125	$120	$120	$120	$120	$120	$120	$120
168	*market residential finance*	$58	$50	$44	$49	$42	$47	$44	$49	$45
169	**AVERAGE DEV. COST PER MARKET SF**	$719	$724	$614	$613	$582	$581	$596	$598	$578
170	AVERAGE DEV. COST PER MARKET UNIT	$657,839	$635,286	$517,851	$525,623	$497,779	$503,373	$506,325	$515,357	$515,985
171										
172	AFFORDABLE RESIDENTIAL PORTION OF COSTS									
173	TOTAL	$0	$8,859,710	$0	$12,305,290	$0	$15,699,225	$0	$13,642,010	$23,831,364
174	***ACQUISITION***	$0	$843,750	$0	$843,750	$0	$843,750	$0	$843,750	$0
175	*CONSTRUCTION*	$0	$6,333,260	$0	$8,618,940	$0	$11,184,375	$0	$9,624,260	$17,808,523
176	*DEVELOPMENT*	$0	$1,262,025	$0	$2,131,950	$0	$2,753,325	$0	$2,380,500	$4,517,131
177	*FINANCE*	$0	$420,675	$0	$710,650	$0	$917,775	$0	$793,500	$1,505,710
178	PER SF.									
179	*affordable residential acquisition*	$0	$50	$0	$30	$0	$23	$0	$27	$0
180	*affordable residential construction*	$0	$376	$0	$303	$0	$305	$0	$303	$296
181	*affordable residential development*	$0	$75	$0	$75	$0	$75	$0	$75	$75
182	*affordable residential finance*	$0	$25	$0	$25	$0	$25	$0	$25	$25
183	AVERAGE DEV. COST PER AFFORDABLE SF	$0	$527	$0	$433	$0	$428	$0	$430	$396
184	AVERAGE DEV. COST PER AFFORDABLE UNIT	$0	$369,155	$0	$300,129	$0	$301,908	$0	$303,156	$264,793

QUADRIAD WILLIAMSBURGH TERRACE
COMPARING EXISTING ZONING / NEW-STRATEGY
JULY 2007 / PART 2 / P. 7

	A	B	C	D	E	F	G	H	I	J
185	G: RESIDENTIAL $$ YIELD	CURRENT WILLIAMSBURG ZONING						NYC ZONING		NEW STRATEGY
186		A: 2.0 far	B: 2.2 far	C: 2.7 far	D: 3.6 far	E: 3.45 far	F: 4.6 far	G: 3.0 far	H: 4.0 far	J: 5.5 far
187		R6B/ A-O-R	R6B/ 80-20	R6A/ A-O-R	R6A/ 80-20	R7A/ A-O-R	R7A/ 80-20	R6A/ A-O-R	R6A/ 80-20	R6-AF/ 65-35
188		AOR	W-G INCLUSION	AOR	W-G INCLUSION	AOR	W-G INCLUSION	AOR	NYC INCLUSION	NEW-STRATEGY
189	A.									
190	REVENUE KEY: VALUATION PER SF:									
191	Residential: Market [sales@$825 sellout average) @ .9 gross saleable]	$825	$825	$825	$825	$825	$825	$825	$825	$825
192	Residential: Affordable									
193	Ownership [sales(@$220psf) @ .9 gross saleable]		$220		$220		$220		$220	$220
194	level 1		$110		$110		$110		$110	$110
195	level 2		$220		$220		$220		$220	$220
196	level 3		$330		$330		$330		$330	$330
197	Rental [capitalized value @ $100psf]		$100		$100		$100		$100	$100
198	B.									
199	REVENUE: RESIDENTIAL ONLY									
200	Residential: Market [sales@$825 sellout average) @ .9 gross saleable]	$56,318,625	$49,976,190	$77,849,269	$84,425,220	$100,917,816	$109,031,670	$87,076,688	$94,267,800	$119,252,250
201	Residential: Affordable: TTL.	$0	$1,514,430	$0	$2,558,340	$0	$3,303,990	$0	$2,856,600	$9,957,764
202	Ownership [sales(@$220psf) @ .9 gross saleable]	$0	$0	$0	$0	$0	$0	$0	$0	$7,950,150
203	Rental [capitalized value @ $100psf]	$0	$1,514,430	$0	$2,558,340	$0	$3,303,990	$0	$2,856,600	$2,007,614
204	**TOTAL revenue at indicated level**	**$56,318,625**	**$51,490,620**	**$77,849,269**	**$86,983,560**	**$100,917,816**	**$112,335,660**	**$87,076,688**	**$97,124,400**	**$129,210,014**
205	C.									
206	COST: RESIDENTIAL ONLY									
207	Residential: Market	$54,502,000	$48,755,180	$64,355,909	$69,676,604	$79,045,216	$85,262,384	$69,915,076	$75,906,400	$92,877,340
208	Residential: Affordable	$0	$8,859,710	$0	$12,305,290	$0	$15,699,225	$0	$13,642,010	$23,831,364
209	Ownership	$0	$0	$0	$0	$0	$0	$0	$0	$15,887,576
210	Rental	$0	$8,859,710	$0	$12,305,290	$0	$15,699,225	$0	$13,642,010	$7,943,788
211	**TOTAL cost at indicated level**	**$54,502,000**	**$57,614,890**	**$64,355,909**	**$81,981,894**	**$79,045,216**	**$100,961,609**	**$69,915,076**	**$89,548,410**	**$116,708,704**
212	D.									
213	**YIELD:** RESIDENTIAL ONLY	**$1,816,625**	**-$6,124,270**	**$13,493,360**	**$5,001,666**	**$21,872,599**	**$11,374,051**	**$17,161,612**	**$7,575,990**	**$12,501,310**
214	Residential: Market [sales@$825 sellout average) @ .9 gross saleable]	$1,816,625	$1,221,010	$13,493,360	$14,748,616	$21,872,599	$23,769,286	$17,161,612	$18,361,400	$26,374,910
215	Residential: Affordable	$0	($7,345,280)	$0	($9,746,950)	$0	($12,395,235)	$0	($10,785,410)	($13,873,600)
216	Ownership [sales(@$220psf) @ .9 gross saleable]	$0	$0	$0	$0	$0	$0	$0	$0	($7,937,426)
217	Rental [capitalized value @ $100psf]	$0	($7,345,280)	$0	($9,746,950)	$0	($12,395,235)	$0	($10,785,410)	($5,936,174)

QUADRIAD WILLIAMSBURGH TERRACE
COMPARING EXISTING ZONING / NEW-STRATEGY
JULY 2007 / PART 2 / P. 8

	A	B	C	D	E	F	G	H	I	J
218	**H: CONCLUSIONS**	**CURRENT WILLIAMSBURG ZONING**						**NYC ZONING**		**NEW STRATEGY**
219		A: 2.0 far	B: 2.2 far	C: 2.7 far	D: 3.6 far	E: 3.45 far	F: 4.6 far	G: 3.0 far	H: 4.0 far	J: 5.5 far
220		R6B/ A-O-R	R6B/ 80-20	R6A/ A-O-R	R6A/ 80-20	R7A/ A-O-R	R7A/ 80-20	R6A/ A-O-R	R6A/ 80-20	R6-AF/ 65-35
221		*AOR*	*W-G INCLUSION*	*AOR*	*W-G INCLUSION*	*AOR*	*W-G INCLUSION*	*AOR*	*NYC INCLUSION*	*NEW-STRATEGY*
222	**A.**									
223	**AFFORDABLE COMPONENT RECAP:**									
224	TOTAL AFFORDABLE SF		16,827		28,426		36,711		31,740	60,228
225	Ownership		0		0		0		0	40,152
226	Rental		16,827		28,426		36,711		31,740	20,076
227	NUMBER OF AFFORDABLE UNITS		24		41		52		45	90
228	Ownership		0		0		0		0	60
229	Rental		24		41		52		45	30
230	AFFORDABLE: TOTAL COSTS		$8,859,710		$12,305,290		$15,699,225		$13,642,010	$23,831,364
231	COST: AFFORDABLE: PER SF		$527		$433		$428		$430	$396
232	AFFORDABLE: TOTAL REVENUES		$1,514,430		$2,558,340		$3,303,990		$2,856,600	$9,957,764
233	Ownership @ $220 SF average per net ppurchase sf.		*$0*		*$0*		*$0*		*$0*	$7,950,150
234	Rental @ $100 cap valuation per net rentable sf.		*$1,514,430*		*$2,558,340*		*$3,303,990*		*$2,856,600*	$2,007,614
235	AFFORDABLE: PROFIT/(LOSS)		($7,345,280)		($9,746,950)		($12,395,235)		($10,785,410)	($13,873,600)
236	Ownership, net of income as per line 233		$0		$0		$0		$0	($7,937,426)
237	Rental, net of income as per line 233		($7,345,280)		($9,746,950)		($12,395,235)		($10,785,410)	($5,936,174)
238	B.									
239	**SUBSIDIES: EXTERNAL**									
240	PROJECTED REQUIRED EXTERNAL SUBSIDY $ TO 'BREAK-EVEN'		**$7,345,280**		**$9,746,950**		**$12,395,235**		**$10,785,410**	**$0**
241	Ownership		**$0**		**$0**		**$0**		**$0**	**$0**
242	Rental		**$7,345,280**		**$9,746,950**		**$12,395,235**		**$10,785,410**	**$0**
243	*Subsdy per unit*		*$306,053*		*$237,730*		*$238,370*		*$239,676*	*$0*
244	C.									
245	**SUBSIDIES: INTERNAL $ TO 'BREAK-EVEN'**									
246	INTRA-PROJECT SUBSIDY per deficit affordable SF (to break even)		n/a		n/a		n/a		n/a	$230
247	Ownership deficit		n/a		n/a		n/a		n/a	$7,937,426
248	Rental deficit		n/a		n/a		n/a		n/a	$5,936,174
249	ADDITIONAL MARKET SF REQUIRED @ $250 per sf post-aor profit		n/a		n/a		n/a		n/a	55,494
250	Additional equivalent (market) far for Wiliamsburgh Terrace site		n/a		n/a		n/a		n/a	1.345
251	D.									
252	AVAILABLE NEW-STRATEGY MARKET SF post-base-aor basis		n/a		n/a		n/a		n/a	84,759