



### **University House – 605 East 9<sup>th</sup> Street, New York, NY**

The plan to develop this beautiful old school building into a state of the art college dormitory as an “as of right” project will provide approximately 60 million dollars to the local non-profit community over a 30 year period and provide community space. The building is designed to be the same height as its neighbor, Christodora House, but set back off the street. Gregg Singer, representing the owner, met with Council Member Rosie Mendez on July 6, 2006 and explained this plan but she wasn’t interested and she kept saying she wanted the building for free. She acted like the building was city owned, not privately owned.

Ms. Mendez requested the City of NY to Landmark the building and down zone the neighborhood so the development rights could not be built. The Landmark confirmation was on September 13, 2006 by City Council. The new zoning was adopted on November 18, 2008 reducing the FAR from 6.5 to 4.

See the attached letter dated March 23, 2006 from George K. Baum & Company explaining how the benefit would have been funded without any government assistance or burden.

# George K. Baum & Company

INVESTMENT BANKERS SINCE 1928

March 23, 2006

University House Corp.  
245 East 63<sup>rd</sup> Street  
Suite 1202  
New York, NY 10021

**Re: University House at Tompkins Square Park 605 East 9<sup>th</sup> Street New York, NY - Financial Benefit to Universities and local Non-profits**

Gentlemen:

This is a letter to highlight the financial benefit to universities and non-profits which choose to participate in the school dormitory project known as University House at Tompkins Square Park. George K. Baum & Company has created a pro forma analysis of the proposed project based on current construction cost assumptions, current operating cost assumptions, today's interest rate environment, and current student housing market rental rates in Manhattan. This analysis contemplates the use of non-recourse taxable financing for the project. The non-recourse financing assumes a 501(c)3 borrowing/ownership of the project. The property owner, 9<sup>th</sup> & 10<sup>th</sup> Street LLC, can either lease or sell to the University House Corp. The structure assumes the Project is 100% financed from bond proceeds, and that 50% of the net excess cash flow from the Project returns to participating universities and non-profits. This financing structure has been utilized to fund \$5.2 billion worth of school dormitory projects nationwide. George K. Baum & Company has financed \$2.1 billion of school dormitory projects for numerous institutions including SUNY Purchase and SUNY Binghamton in New York State. Universities and non-profits who participate in the University House project have no financial obligation. Our cash flow pro forma assumes a growth rate for income and expenses of 3% (the standard metric accepted by Moody's rating agency in its rating criteria for similar transactions). The current analysis shows a benefit to the affiliated universities and non-profits as follows:

	Universities	Non-profits
Years 1-10	\$2.6 million	\$2.6 million
Years 11-20	\$13.6 million	\$13.6 million
Years 21-30	\$43.8 million	\$43.8 million
<b>Total Benefit</b>	<b>\$60.1 million</b>	<b>\$60.1 million</b>

These indications of the benefit to affiliated universities are based on our current pro forma and are subject to change based on student housing market conditions, construction cost assumptions, performance of the project, etc.

**GEORGE K. BAUM & COMPANY**



**Lee White**  
Executive Vice President and Manager  
Education and Non-Profit Finance Group