

4

EXCEL PROPERTY MANAGEMENT, INC.

Excellence In Property Management

January 31, 2002

Mr. W. Calvin Horton
City Manager
City of Chapel Hill
N. Columbia Street
Chapel Hill, NC

RE: First Baptist and Manley Estates

Dear Mr. Horton:

Enclosed for your review and consideration is our request for Council funding for First Baptist and Manley Estates which would provide for the needs of the residents who will reside in this new affordable housing community for senior adults.

This property will offer our senior residents many comforts and opportunities for the quality of life they deserve if we are able to furnish this property and cover its operating expenses during this first year of operations. The greatest over run expense is insurance expense which increased 45% over the original estimate when the property was proposed. Additional cost include tenant paid utilities and the need now to have a minimum of five telephone lines required for the elevator and security system.

Attached is a detailed operating budget for a 12 month period. As you see we will experience negative cash flow during this first year. Our budget request to HUD for the second year of operation will allow the property to operate within the funding provided by HUD for this property. HUD has indicated that they will not consider a funding increase for the first year.

5

Current funding is not sufficient to provide the needed furnishings for this building. We are requesting Council approval for funding for these needs. With the building furnished, we will be able to provide a literacy center for seniors, a computer training center and meals on wheels center for the seniors in the area.

We are available to review this request with the council and answer any questions that you may have. Thank you for the opportunity to talk with you as you consider this request to enhance this affordable housing community for the senior adults of Chapel Hill.

Sincerely,

Ann D. Hanson
Managing Agent for
First Baptist and Manley Estates

FIRST BAPTIST AND MANLEY ESTATES
 DETAIL OF FUNDING NEEDS

OFFICE FURNITURE AND EQUIPMENT		⑥	
DESK/RETURN	3		1740
DESK CHAIR	3		387
GUESTS CHAIRS	6		900
MAT	3		135
FILE CABINET			130
KEY BOX			110
CALCULATOR			65
COMPUTER /PRINTER			1400
SOFTWARE			1250
COPIER			750
FAX MACHINE			200
TELEPHONE (2)			225
MISCELLANEOUS			600
	TOTAL		7892
LAWN EQUIPMENT			
MOWER			5600
BLOWER			460
EDGER			250
RACK, SHOVEL, SNOW SHOVEL, CART			290
	TOTAL		6600
COMMON AREA FURNISHINGS			
ROCKERS FOR PORCHES			1308
PORCH FURNITURE			875
ACTIVITY ROOM TABLES/CHAIRS			2580
ACTIVITY ROOM BENCHES			280
CORRIDOR BENCHES			1400
MEDIATION ROOM TABLES/CHAIRS			924
RECEPTION AREA			1560
MAIL AREA BENCH			400
LIBRARY FURNITURE			3818
PICTURES AND WALL HANGINGS			1000
ACCESSORIES			2500
WINDOW TREATMENT			3500
36" TV/VCR			2500
COMPUTERS AND WORK STATIONS FOR RESIDENT COMPUTER USAGE			3000
KITCHEN SET UP AND SMALL APPLIANCES			1500
			27145
OPERATING SHORTFALL	FOR IST 12 MONTHS		21689
TOTAL FUNDING NEEDED			63326

7

FIRST BAPTIST AND MANLEY ESTATES
PROPOSED 12 MO. OPERATING BUDGET

REVENUES

RENTS AT 97%	132,696
OTHER (LAUNDRY, LATE FEES, MISC)	1,800
TOTAL REVENUES	134,496

EXPENSES

TELEPHONE	5 LINES	5,300
OFFICE SUPPLIES		1,000
LEGAL AND AUDITING		3,800
MANAGEMENT FEE		18,960
MANAGER		12,000
SERVICE COORDINATOR		7,200
UTILITIES	85/UNIT + 500/COMMON/MONT	47,820
WATER/SEWER	15/UNIT	7,380
MAINTENANCE/JANITORIAL		4,420
ELEVATOR CONTRACT		2,160
SECURITY CONTRACT		412
GROUNDS		3,000
JANITORIAL SUPPLIES		750
EXTERMINATING		1,200
DECORATING AND REPAIRS		7,500
INSURANCE		9,000
REPLACEMENT RESERVE		12,483
PAYROLL BENEFITS AND TAXES		1,800
RENT UP COST		10,000
TOTAL EXPENSES		156,185

NET INCOME (LOSS) -21,689