



Presentation of Cotton Mill Phase I

Request of the MHA Board



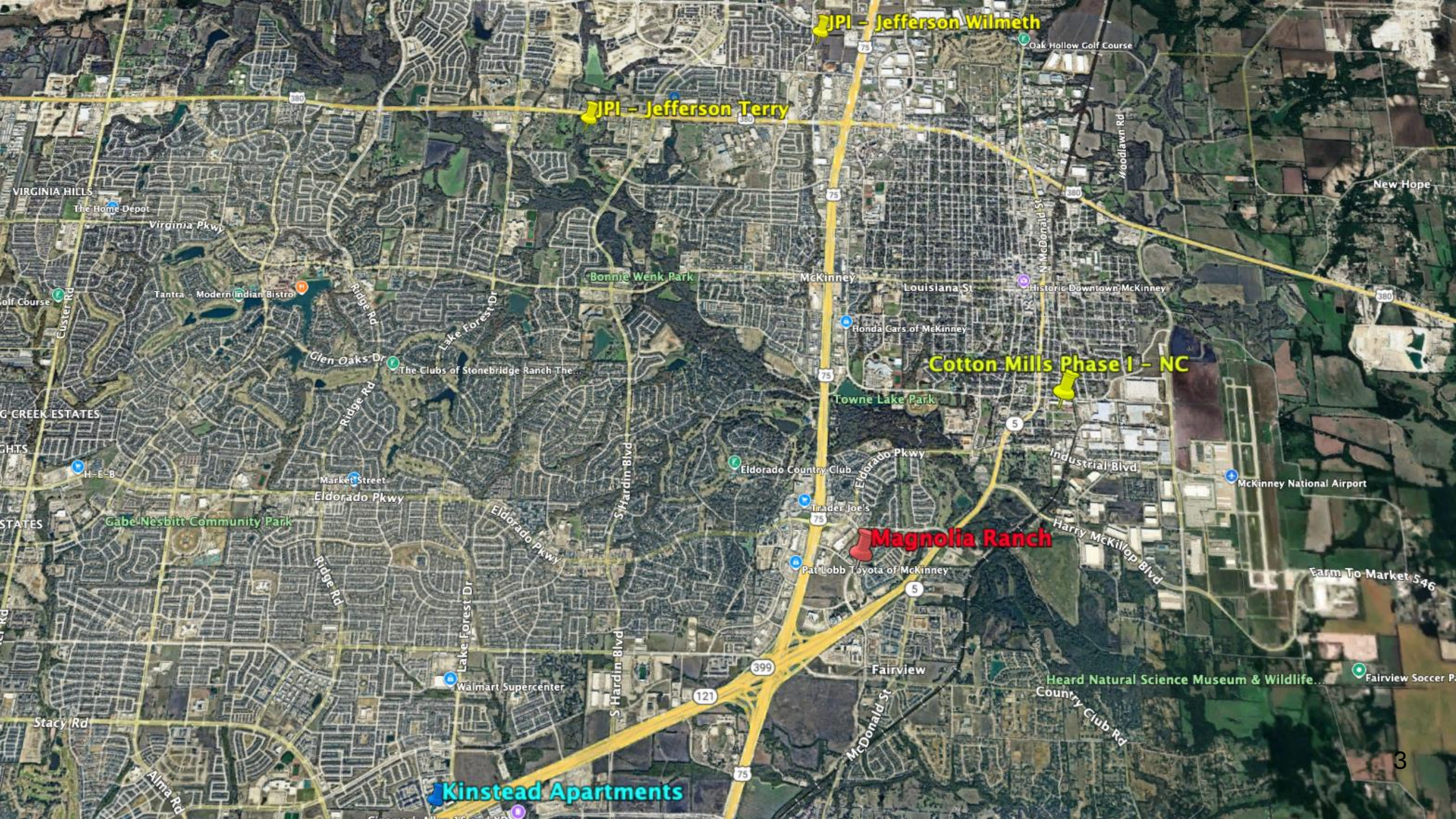
Approval to send a proposal for City Council consideration



Approval for legal review



Subject to legal review presentation to the Board for action at the **May** Board meeting

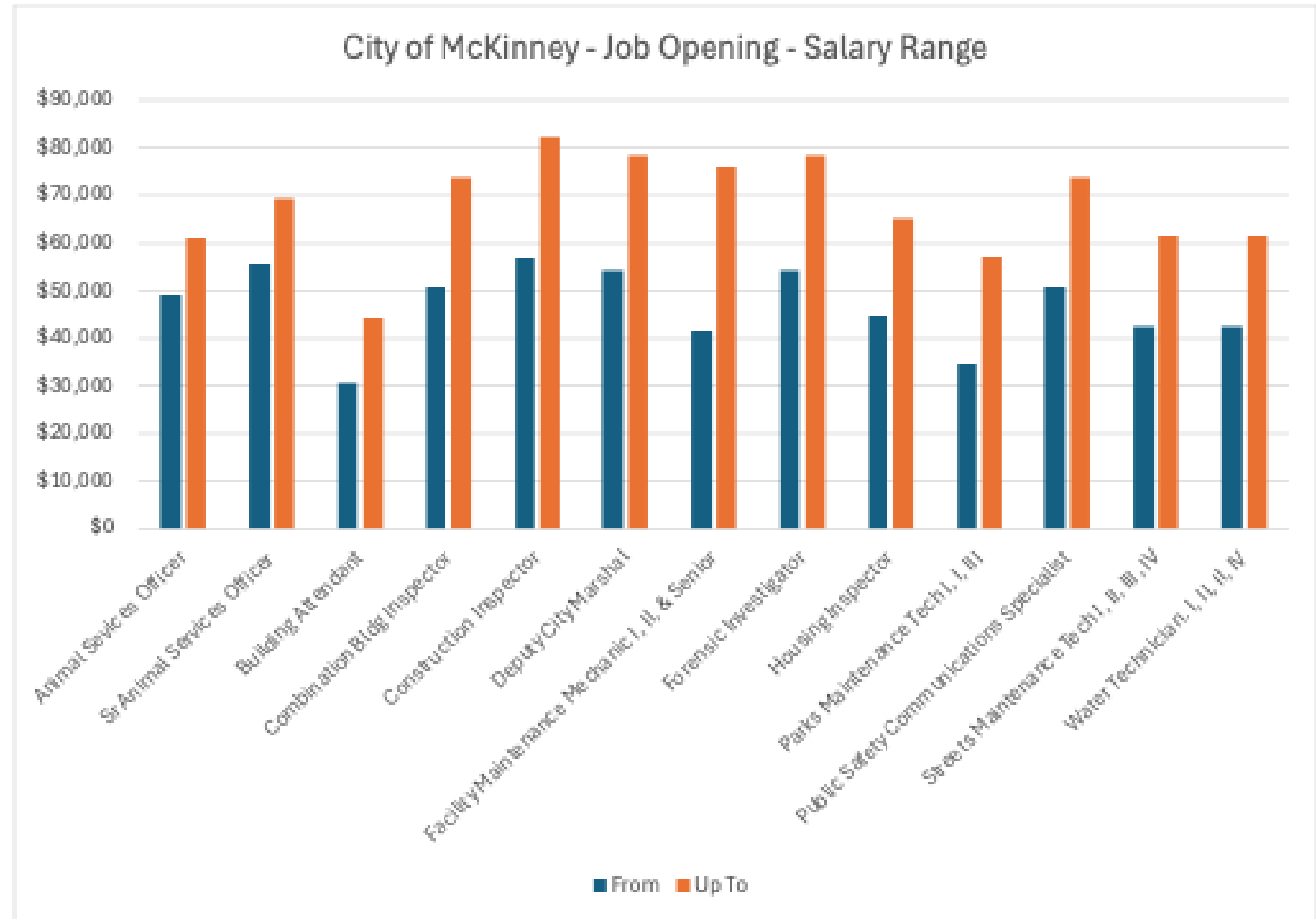


Restricted Unit: Rent & Income Limits

- **Income Restrictions:**
 - 5% of the units will be restricted to 30% AMI
 - 45% of the units will be restricted at 80% AMI
 - 50% will be an unrestricted market rate for a mixed-income community.

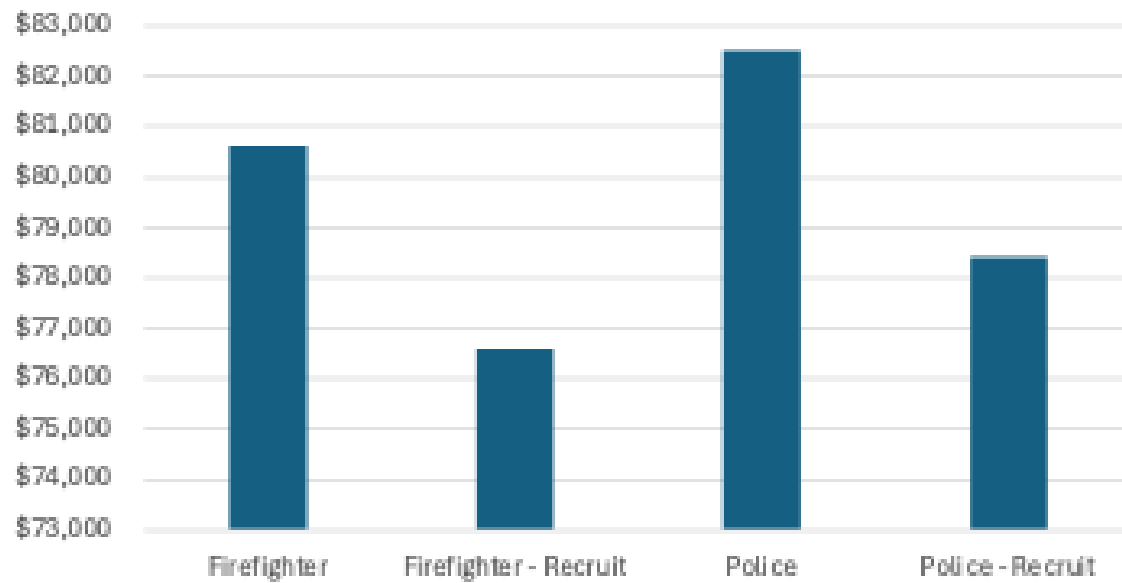
Income Limits for 2024 (Based on 2024 AMI Income Limits)			
	30.00%	60.00%	80.00%
1 Person	23,160	46,320	61,760
2 Person	26,460	52,920	70,560
3 Person	29,790	59,580	79,440
4 Person	33,090	66,180	88,240
5 Person	35,730	71,460	95,280
6 Person	38,370	76,740	102,320
(Based on 2024 AMI Income Limits)			
Bedrooms (People)	30.00%	60.00%	80.00%
Efficiency (1.0)	579	1,158	1,544
1 Bedroom (2.0)	661	1,323	1,764
2 Bedrooms (3.0)	744	1,489	1,986
3 Bedrooms (4.0)	827	1,654	2,206

McKinney Salary Target Demographics

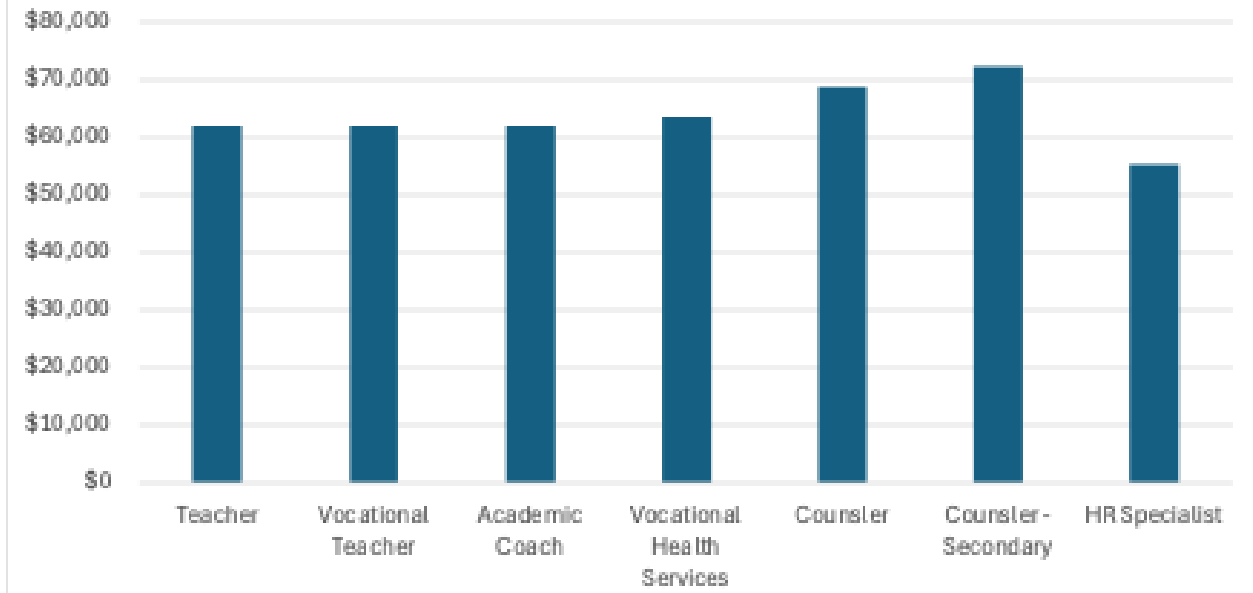


McKinney Salary Target Demographics – **continued**

McKinney Fire & Police Starting Salaries

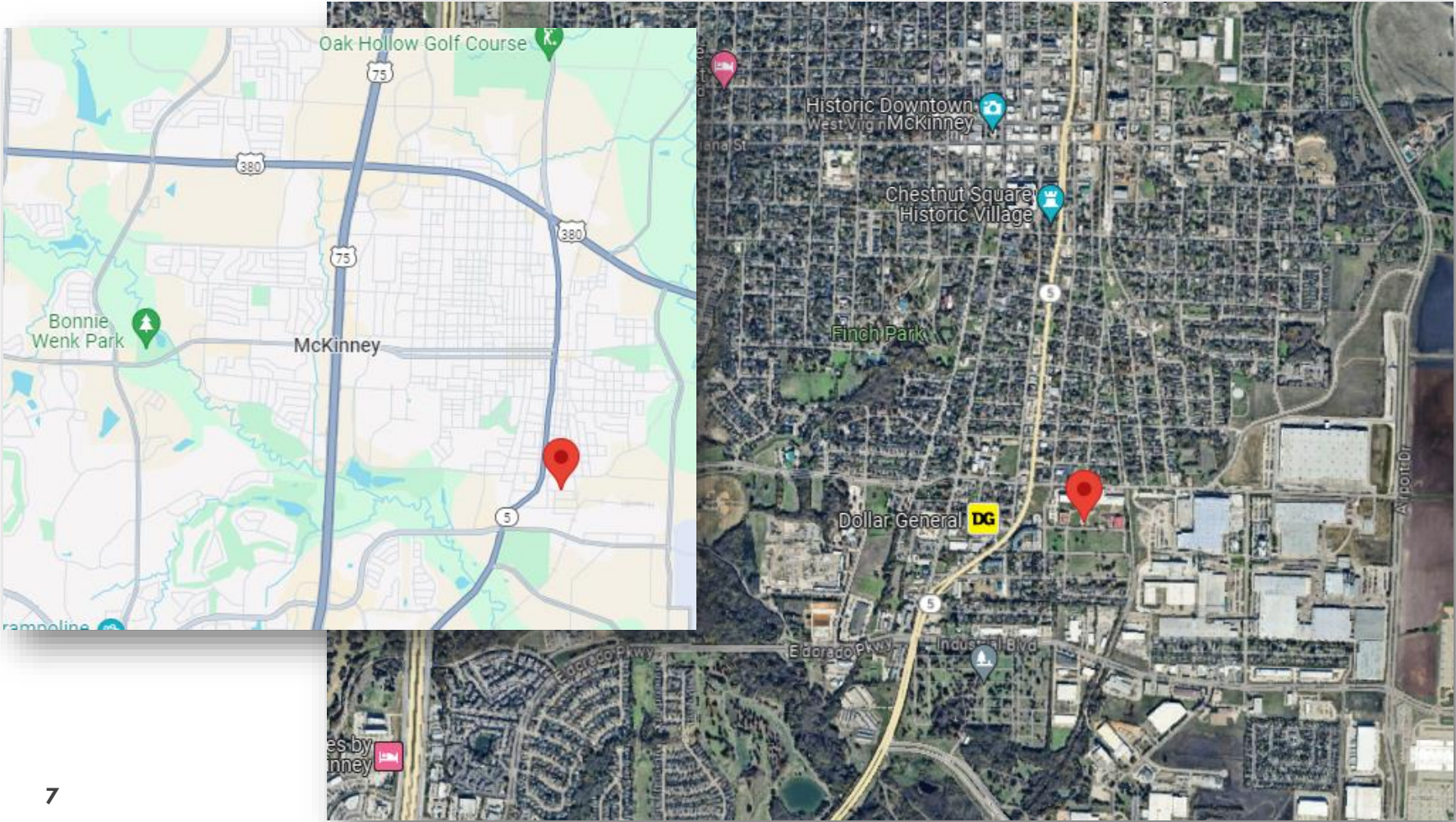


MISD - Starting Salaries



LOCATION OVERVIEW

PROPERTY NAME	DELIVERY DATE	DESCRIPTION	LOCATION
Cotton Mill Ph 1	Approx - 2028	258 Unit Garden Style	610 Elm Street, McKinney, TX 75069



PROPERTY SUMMARY

Phase I - Property Description

Collin Mill is a 4-phase project, 258-unit, 5 story garden-style ground up development community in McKinney, TX. The property is located adjacent to S McDonald St which provides easy access into neighboring cities such as Frisco and Plano and into the city of Dallas.

The property offers residents amenities including a resort-style pool, game room, clubroom with a kitchen, a pool courtyard, co-working spaces, pet spa, fitness center, yoga studio, and EV chargers.

PROPERTY NAME:	Cotton Mill PH 1
LOCATION:	610 Elm Street, McKinney, TX 75069
UNIT SIZE	257 Unit Garden Style
NET RENTABLE AREA:	224,298 Square Feet
AVG. UNIT SIZE:	869 Square Feet



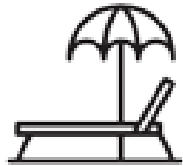
Project Budget

Uses of Funds	
Land	\$2,087,840
Architectural & Engineering	\$2,230,785
Hard Costs	\$53,808,484
FF&E	\$950,000
Permit/City Fees	\$1,539,185
Developer Fees	\$2,216,910
Financing Costs	\$867,443
Miscellaneous Costs	\$3,235,349
Reserves	\$4,415,418
Contingency	\$2,077,901
Total Uses	\$73,429,321

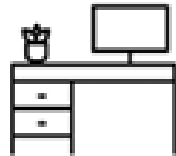
SOURCES OF PROJECT FUNDING

Sources of Funds	
Construction Loan	\$47,729,058
Investor LP Equity	\$24,415,249
Investor GP Equity	\$1,285,013
Total Sources	\$73,429,321

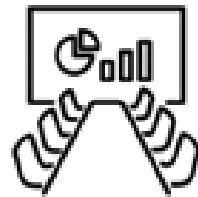
Development Amenities



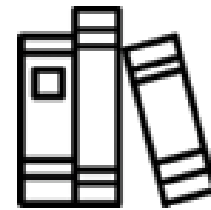
Recreational
Courtyard



Corworking Space
+ Phone Booth



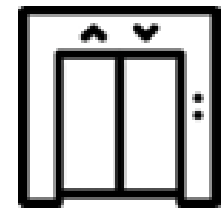
Conference Room



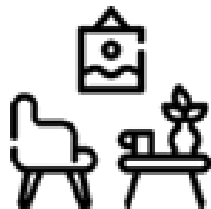
Library



Resident Business
Center



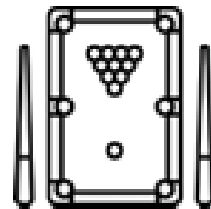
Elevators



Clubhouse +
Resident Lounge



24/7 Fitness
Center



Game Room



Podcast Studio



Structured Garage
Parking



On-Call
Maintenance

AMENITIES

We define high-quality affordable housing as a community where all residents can thrive, regardless of who they are or what they do. This means rental units and communities that are competitive or superior to new market rate properties. The housing product that The Cotton Mill will provide is of a higher caliber than equally priced market rate product. This development will offer only the best in interiors and community amenities. The Cotton Mill isn't your typical workforce housing, it's Class-A rental housing designed to assist and empower families of diverse income levels - a place families are proud to call home.

Unit Features



Energy Efficient
Appliances



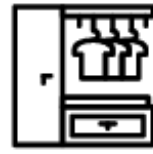
Wood Style
Flooring



Upgraded
Plumbing Fixtures



Gourmet Kitchens



Large Walk-In
Closets



Tile Backsplashes



Linen Cabinets



Upgraded Lighting
Fixtures



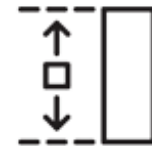
Spacious Floor
Plans



Interior Corridor
Entrances



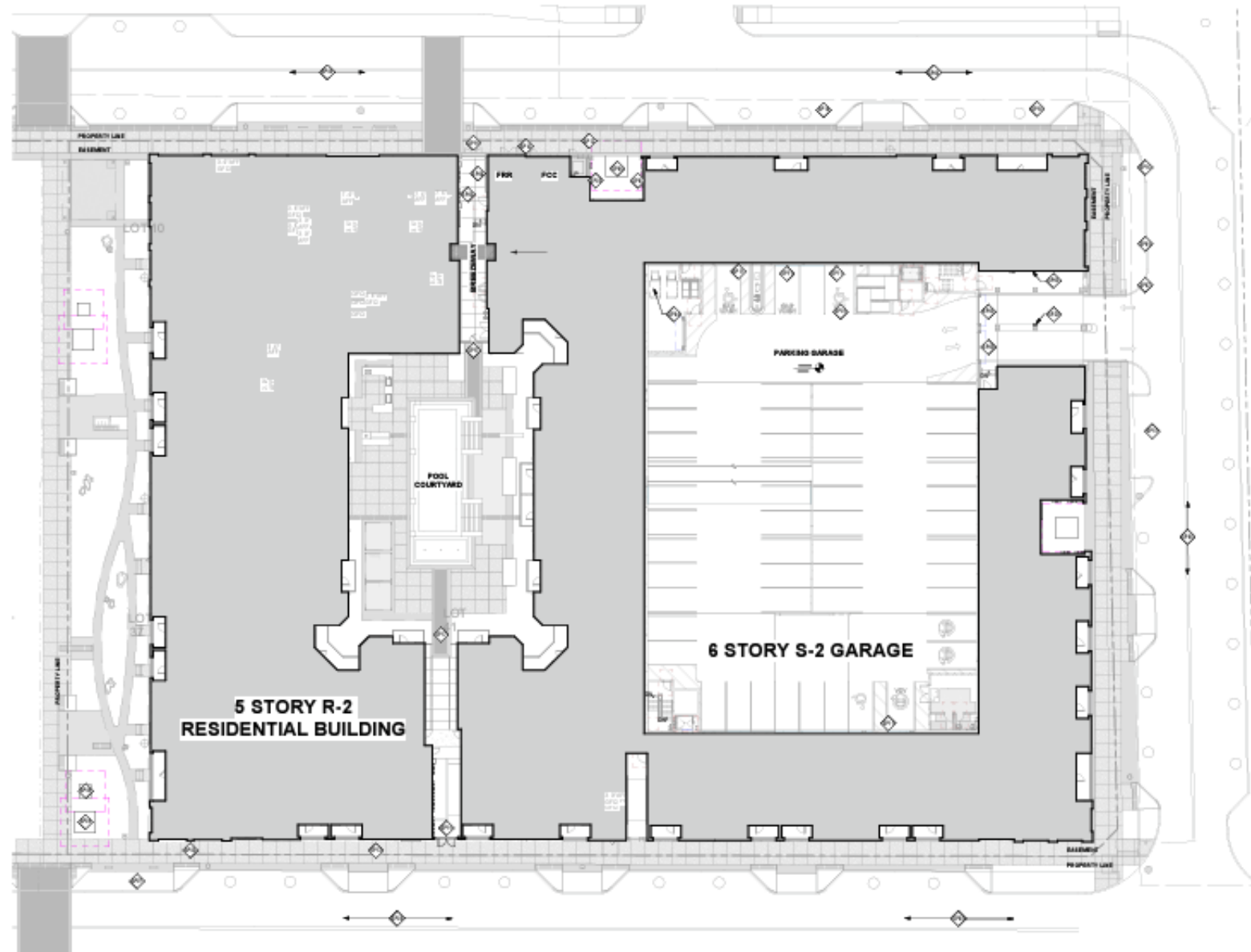
Kitchen Pantries

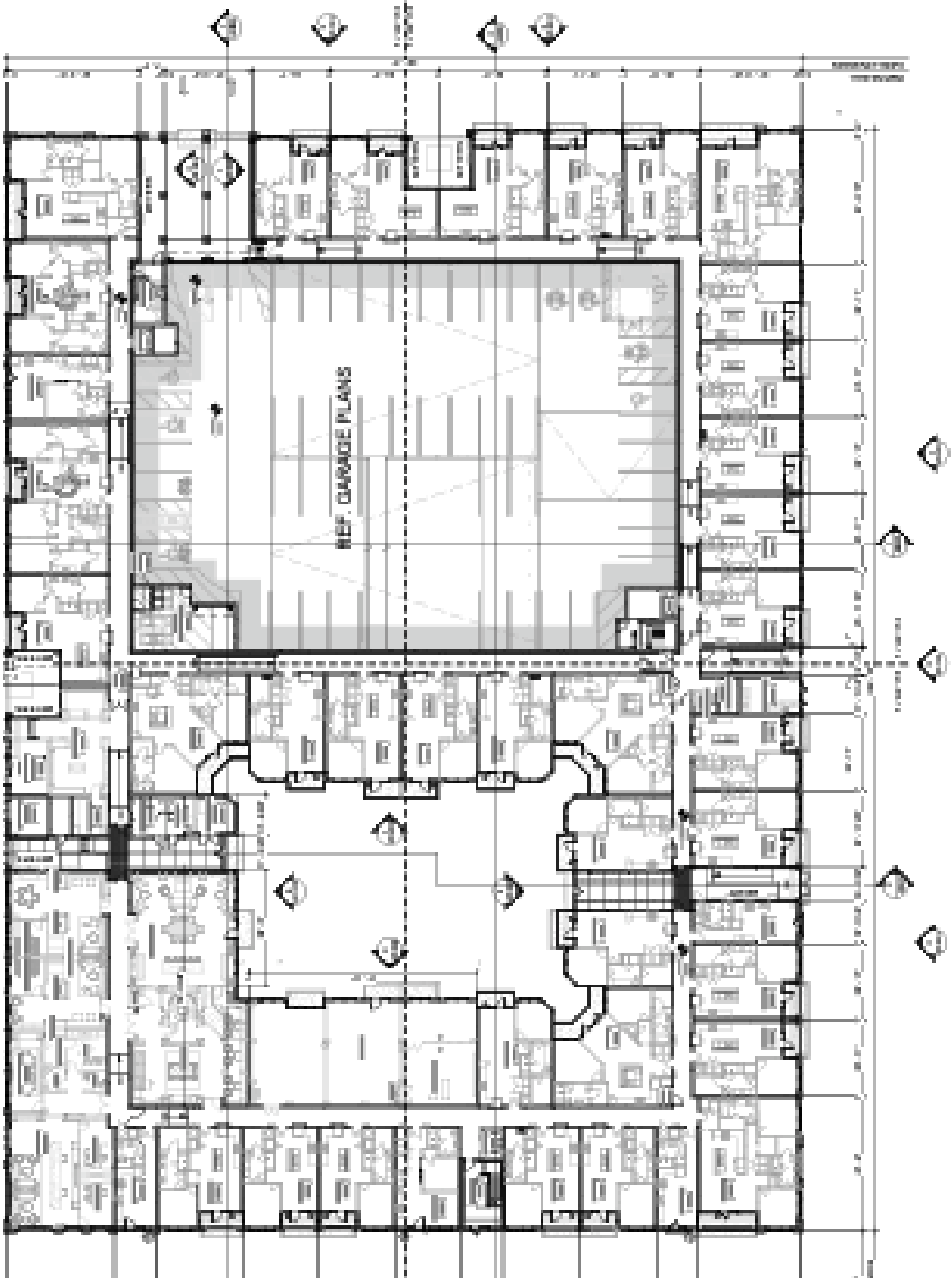


9-Foot Ceilings

CONCEPTUAL DESIGN

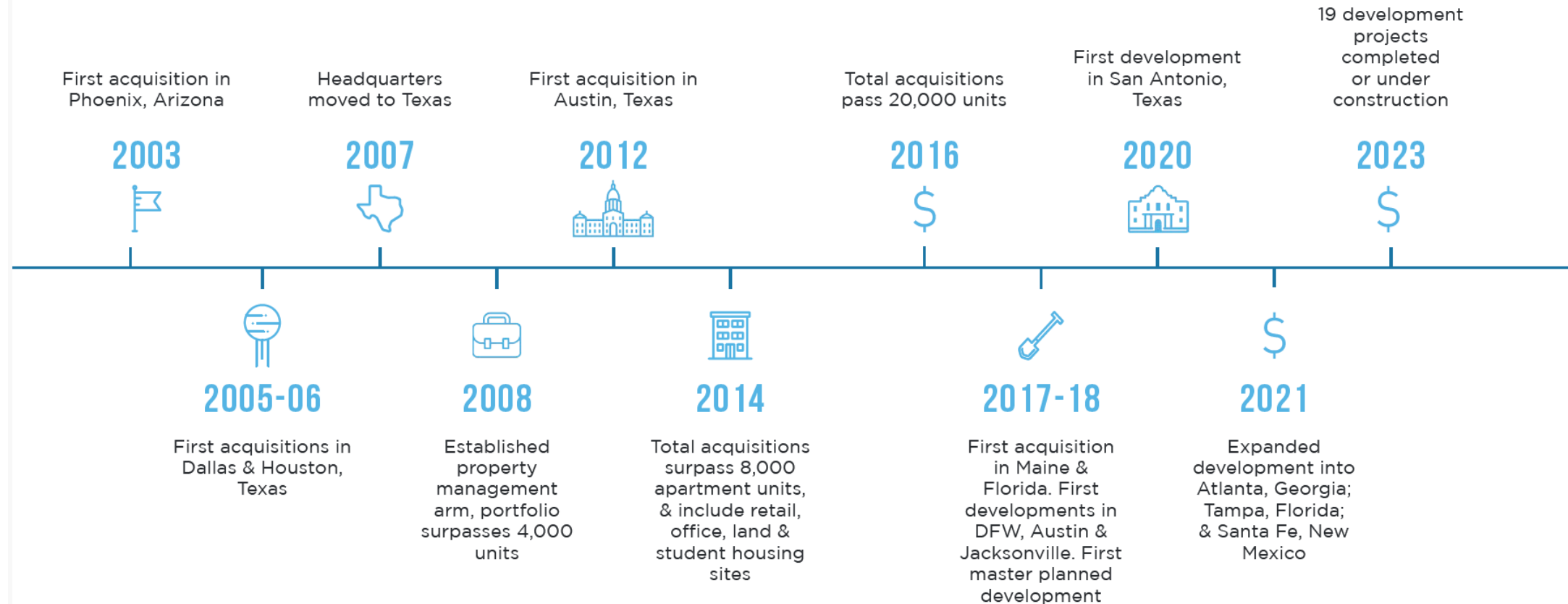
Site Plan





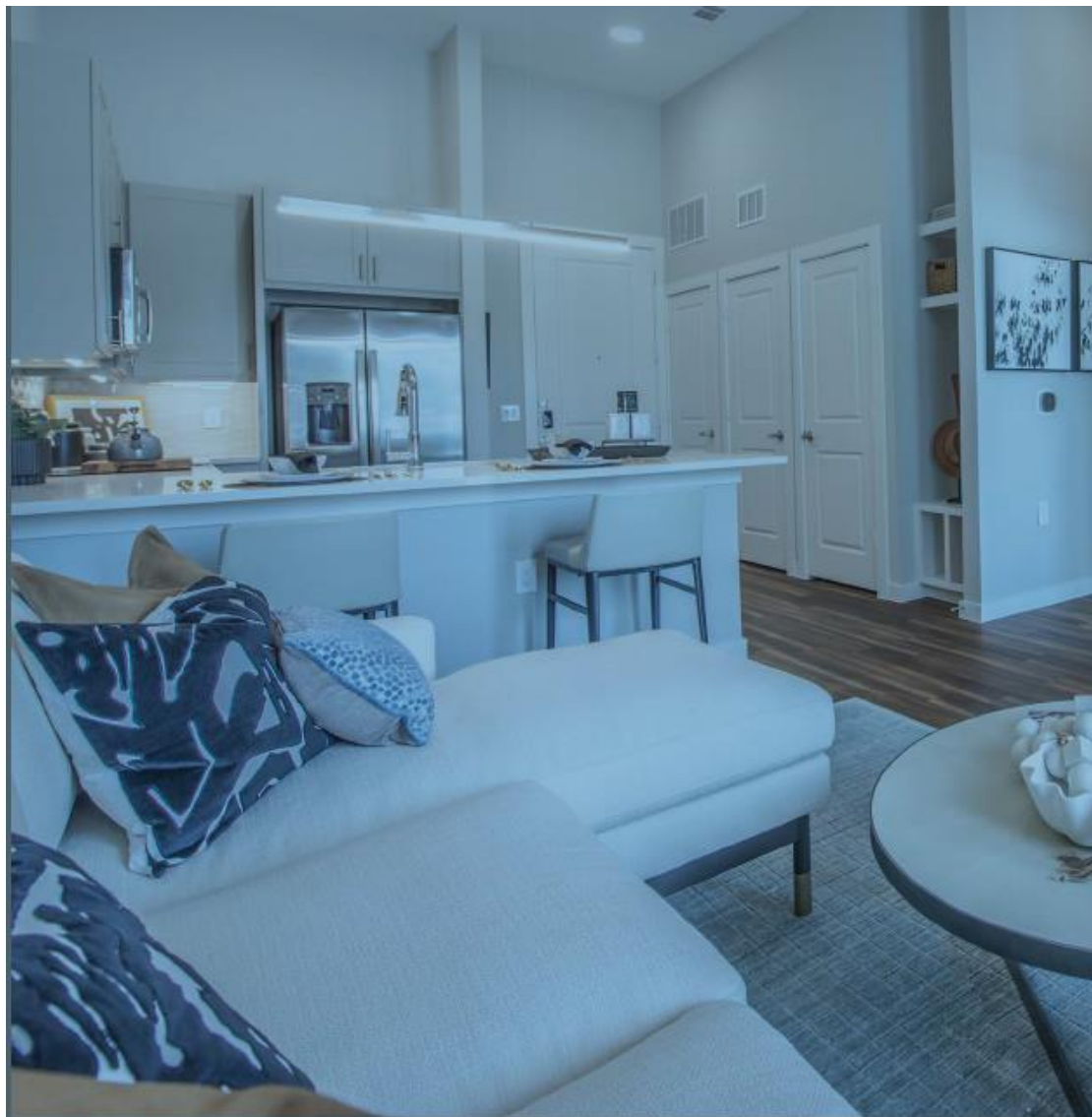
Site Control	
PSA	Apr. 2021
Land Closing	Feb. 2023
Pre-Development	
Entitlements	Jul. 2023
Design	Aug. 2024
Permitting	Dec. 2024
Financing	Mar. 2025
Construction	
Commencement	Apr. 2025
First Units	Jan. 2027
Completion	Jun. 2027
Lease Up/Stabilization	
Leasing Start	Oct. 2026
Breakeven Occupancy	Jun. 2027
Stabilized Occupancy	Jan. 2028

PRESIDIUM'S HISTORY



From 2003 to 2017, Presidium primarily focused on value-add investments. We specialized in acquiring Class-B and C assets, investing \$5k to \$15k per unit, upgrading these assets to Class B+/A-, and successfully exiting within 18 to 36 months. During this period, we bought and renovated over 20,000 units, deploying over \$135M in renovation capital.

Realizing how the market dynamics were evolving in 2017, we strategically pivoted our focus to ground-up construction and established a robust development arm. Since this strategic shift, we've initiated 19 development projects, with 12 completed and 7 currently underway or commencing lease-up.



Operating with the highest ethical standards at all times and doing the right things for the right reasons.



EXCELLENCE

Continuously working to “raise the bar” in both a cerebral and professional manner. Striving for excellence day in and day out.

Taking our responsibility as fiduciaries very seriously and being good stewards for our clients and our residents.



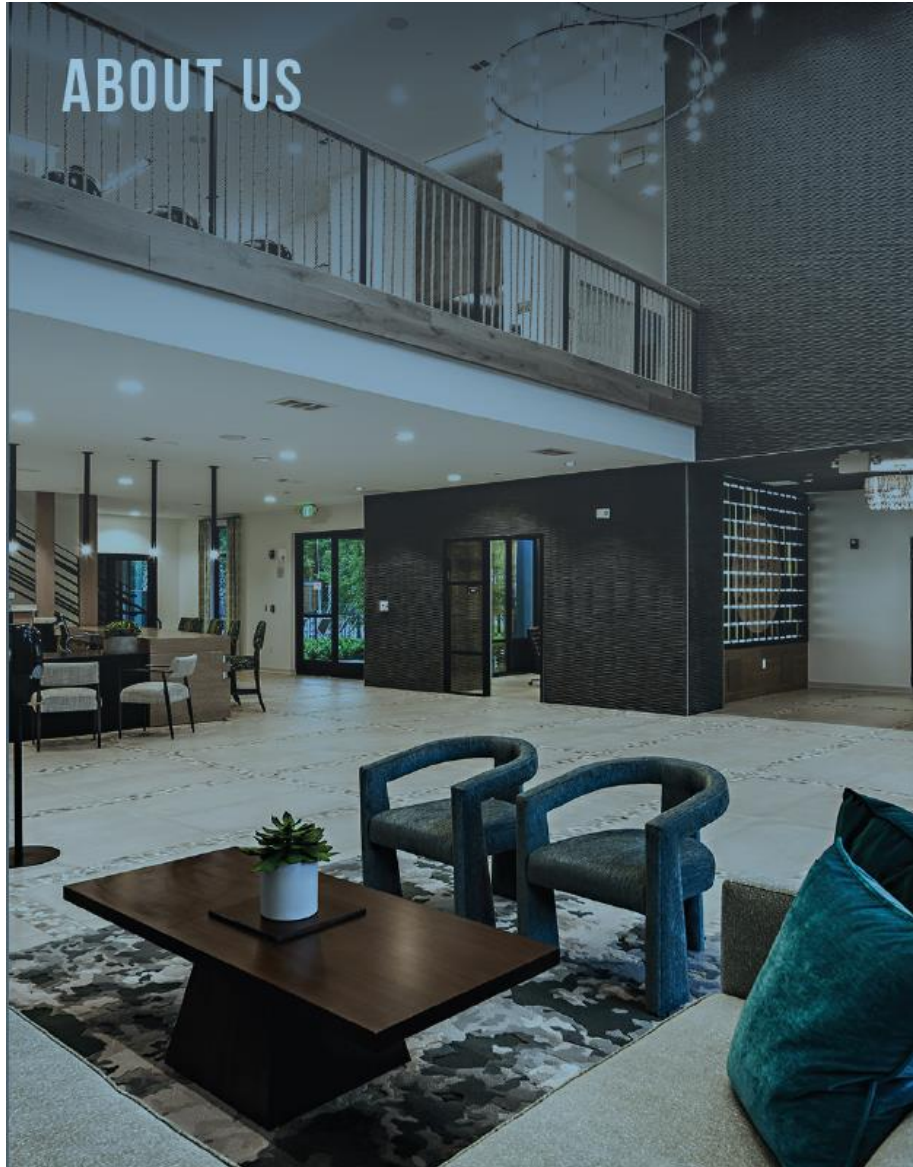
TEAMWORK

Acting as a cohesive team and together driving the success of our projects through constant flow of information and collaboration.



INNOVATION

Consistently pushing the boundaries of our industry by learning and exploring new techniques to enhance our communities and nurture our client's investments.



ABOUT US

FIRM OVERVIEW

Founded in 2003, Presidium is a Texas-based real estate developer, owner, and operator with a 21-year operating history and an existing real estate portfolio totaling approximately \$2.6 billion AUM. As a firm, we represent a spectrum of disciplines including acquisitions, development, property management, asset management, construction, law, finance, accounting, special servicing, and public-private partnerships. Our mission is to craft vibrant and unique communities, deliver exceptional returns for our partners, and nurture a collaborative, supportive atmosphere for our employees. Together, we strive to make a meaningful impact on the lives we touch and the neighborhoods we enrich. Presidium has dual headquarters in Dallas and Austin and regional offices in Houston, Texas; Jacksonville, Florida; and Portland, Maine.



\$2.6 Billion

Assets Under
Management



3,194

Apartment
Units Built
to Date



50+ Assets

MF, Student,
Senior, Office
& Retail



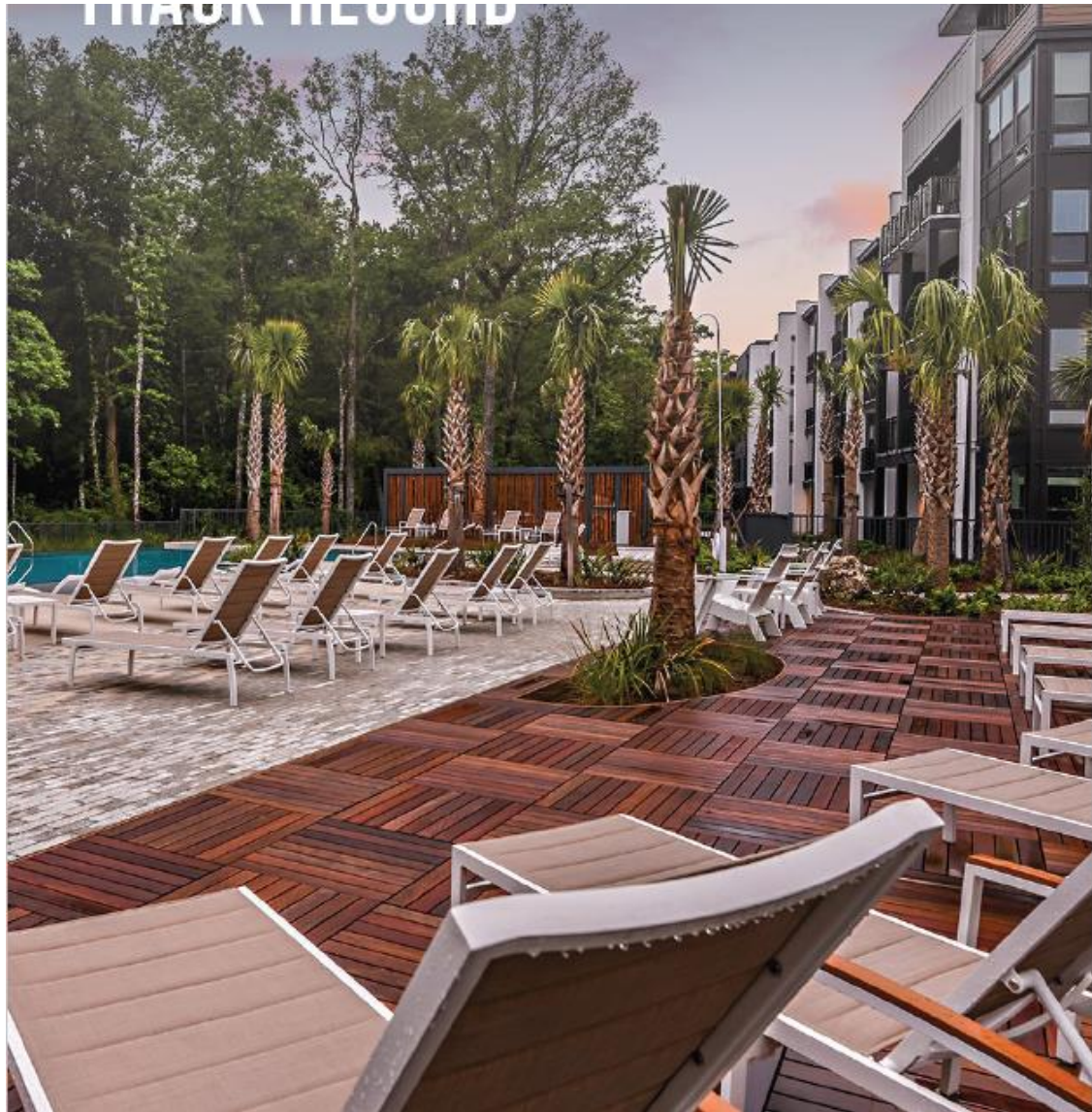
20,000

Apartment Units
Bought and
Renovated



500+ Acres

Master Planned
Mixed-Use
Developments



\$2.26B+

IN DISPOSITIONS
SINCE INCEPTION



>\$750M

AVERAGE ANNUAL
ACQUISITIONS,
DEVELOPMENTS,
SINCE 2018



3MW

OF SOLAR
INSTALLATIONS



19

MULTIFAMILY
DEVELOPMENT STARTS



**38.5% IRR
2.9x MULTIPLE**

AVERAGE INVESTMENT
RETURN SINCE
INCEPTION



\$2.6B+

ASSETS UNDER
MANAGEMENT



BEST PLACES TO WORK IN TEXAS

2022, Best Companies Group

TOP DEVELOPER & PROPERTY OWNER OF THE YEAR

2022, DCEO Commercial Real Estate Awards

DEVELOPER OF THE YEAR FINALIST

2021, DCEO Commercial Real Estate Awards

TOP PRIVATE COMPANIES

2021, Dallas Business Journal

PROPERTY AWARDS

BEST NEW MULTIFAMILY PROJECT FINALIST

2023, DCEO Commercial Real Estate Awards, Presidium Hill Street

MULTIFAMILY DEVELOPMENT OF THE YEAR

2023, Costar's Impact Awards, Presidium Chase Hill

MULTIFAMILY INFLUENCER AWARD

2022, Globe Street, Presidium Revelstoke

ULI AUSTIN NEXT BIG IDEA WINNER

2021, ULI Austin Impact Awards, River Park

BEST NEW MULTIFAMILY DEVELOPMENT FINALIST

2021, ABJ Commercial Real Estate Awards, Presidium Pecan District

TOP MULTIFAMILY PROPERTY OWNERS

2022, Multi-Housing News

TOP MULTIFAMILY DEVELOPERS

2022, Austin Business Journal

TOP NORTH TEXAS MULTIFAMILY REAL ESTATE DEVELOPER

2021, Dallas Business Journal

DEVELOPER & REAL ESTATE DEAL OF THE YEAR FINALIST

2022, DCEO Commercial Real Estate Awards, Presidium Frisco Square & Berkshire

BEST MULTIFAMILY COMPLEX

2022, Tab Star Awards, Presidium Revelstoke

ACTIVE ADULT ARCHITECTURE & DESIGN AWARD WINNER

2021, Senior Housing News, Presidium at Edgestone

LUXURY LOW-RISE PROJECT OF THE YEAR

2020, Austin Business Journal, Edison Apartments

REPRESENTATIVE PROJECTS



Frisco, TX
**PRESIDIUM AT
EDGESTONE**

Type: Garden GSF: 246,900 SF
Unit #: 188 Completed: Sep 2020



Frisco, TX
**PRESIDIUM
FRISCO SQUARE**

Type: Wrap GSF: 624,215 SF
Unit #: 368 Est. Delivery: Jul 2024

Fort Worth, TX
**PRESIDIUM
REVELSTOKE**

Type: Garden GSF: 466,500 SF
Unit #: 408 Completed: Mar 2021



Farmers Branch, TX
**PRESIDIUM VALLEY
VIEW PH I**

Type: Wrap GSF: 461,244 SF
Unit #: 338 Est. Delivery: Dec 2024



Grand Prairie, TX
**PRESIDIUM
HILL STREET**

Type: Garden GSF: 309,100 SF
Unit #: 290 Completed: Jul 2022



Farmers Branch, TX
**PRESIDIUM VALLEY
VIEW PH II**

Type: Podium GSF: 292,200 SF
Unit #: 240 Const. Start: Sep 2025

Fort Worth, TX
**PRESIDIUM
BERKSHIRE PH I**

Type: Garden GSF: 352,500 SF
Unit #: 340 Completed: Jul 2023



McKinney, TX
COTTON MILL PH I

Type: Wrap GSF: 276,025 SF
Unit #: 258 Const. Start: Aug 2024



PRESIDIUM TEAM



CROSS MOCERL | PRINCIPAL, CO-CEO

Cross Mocerl is Co-Founder and Co-CEO of Presidium, a Texas-based real estate developer, owner, and operator with a 21-year operating history and an existing real estate portfolio totaling over \$3 billion AUM. Presidium has over 300 employees and currently owns and manages over 80 multifamily, student housing, retail and land assets. Cross is primarily responsible for master planning, development, capital formation, acquisitions, financial structuring and portfolio oversight. Over the past decade, Cross has spearheaded more than \$5 billion of real estate investments and over \$2.2 billion of successful realizations.

Cross is an active member of several trade associations, including Opportunity Austin, the Real Estate Council of Austin, the National Multifamily Housing Council and the Urban Land Institute. Over the past several years, Cross has participated as a panelist and speaker at several real estate forums hosted by Marcus & Millichap, Bisnow, CCIM, ULI, FLAIA and others. Cross sits on the Advisory Board of Stewart Title, Austin. Prior to co-founding Presidium, Cross spent 6 years practicing corporate law with Milbank Tweed in Los Angeles. Cross holds a B.A. from the University of Notre Dame in Philosophy, and J.D. from the University of Michigan.



JOHN GRIGGS | PRINCIPAL, CO-CEO

John oversees all operational and financial aspects of Presidium's portfolio, including capitalization, financing, property & asset management, construction, investor relations and dispositions. John has managed the acquisition and integration of more than \$3B in real estate assets, the development of over \$1B of real estate and currently oversees over 300 Presidium employees. Prior to co-founding Presidium, John practiced corporate law at Milbank Tweed and Wilson Sonsini. John holds an A.B. degree from Stanford University, a J.D. from the University of Michigan, is a member of the Young Presidents' Organization & the Stanford Real Estate Council.

MULTIFAMILY DEVELOPMENT TEAM



MARK FARRELL
PRESIDENT EMERITUS



DUSTIN MATTIZA
EXECUTIVE VICE PRESIDENT



SEBASTIANO SERGEI
VICE PRESIDENT OF CONSTRUCTION



TRAVIS MOLTZ
SENIOR DEVELOPMENT MANAGER



NANCY XU
DEVELOPMENT MANAGER



LINDSAY COLBERT
CHIEF OPERATING OFFICER



KERRY BOWE
VICE PRESIDENT OF OPERATIONS



WILL ANDRESS
MANAGING DIRECTOR



YINAN LI
CONTROLLER



JOSH EAMES
PRESIDENT OF DEVELOPMENT



KELLIE SANDERS
PRESIDENT OF PROPERTY MANAGEMENT



MATT MEZA
GENERAL COUNSEL



JESSIE LA PATRA-GREEN
VICE PRESIDENT OF ASSET MANAGEMENT

Cotton Mill Phase I - Rent Benefit Analysis

Total Units	257
Unit Type	Total
Studio	30
1 Bedroom	167
2 Bedroom	56
3 Bedroom	4
	257

Studio
1 BD
2 BD
3 BD

30% AMI			Rent Savings	
Avg. Rent	Units	Benefit % Comp to Market	Monthly	Annually
579	1	68%	1,205	14,460
620	9	68%	11,601	139,212
744	3	72%	5,739	68,868
860	0	73%	0	0
Total/Avg	13	71%	18,545	\$222,540
% of Units	5.1%			

80% AMI			Rent Savings	
Avg. Rent	Units	Benefit % Comp to Market	Monthly	Annually
1,544	14	13%	3,360	40,320
1,654	75	13%	19,125	229,500
1,986	25	25%	16,775	201,300
2,294	2	27%	1,720	20,640
Total/Avg	116	22%	40,980	\$491,760
% of Units	45.1%			

Market Rents		100% Market Rents		
Avg. Rent	Units	Units	Monthly	Annually
1,784	15	30	53,520	642,240
1,909	83	167	318,803	3,825,636
2,657	28	56	148,792	1,785,504
3,154	2	4	12,616	151,392
49.8%	128	257		\$6,404,772
Rent	\$2,298,180			

Number of Workforce Units **129**
Reduced Rent **\$714,300**

Summary

Property

Cotton Mill Phase I

Build Start: Q4 2025

Units: 257 Units

30 – Studio Unit

168 – One Bedroom Units

56 – Two Bedroom Units

4 – Three Bedroom Units

Current Property Profile

Class A – New Construction



McKinney Housing Authority Benefits

- **Restricted Rents on 50% or (129 units) of the Property**
 - 5.1% or (13) units @ 30% AMI
 - 45.1% or (116) @ 80% AMI
 - Projected \$613K or 59% in Rent Savings in first stabilized Year 1
 - Total Projected Rents Savings over 10-Years trending \$6.2MM
- **Economics**
 - Acquisition Fee: \$367K
 - Total Fees Projected over 10-Years: \$3.76MM (including Disposition Fee)
 - Total Fees Projected without Disposition Fee: \$2.56MM
 - Disposition Fee: \$1.2MM
- **Public Benefits Analysis: 95%**
- **Public Benefits Analysis (less Disposition Fee): 79%**

Recommendation

Auxano recommends proceeding with the Section 392 acquisition of Cotton Mill Phase I in partnership with Presidium. This development would be a strong economic development catalyst and produce good Public Benefit Metrics.

Public Benefit Metrics are calculated using the 2024 Collin County Appraisal District Values and Tax Rates. Because this is new construction, the 2024 assessed value is \$3.9MM, and the estimated City of McKinney taxes are \$16,122. Because this is new construction, the Income Approach is used to calculate taxes on a going-forward basis.

- This will be a Class A new construction property in an area with little new investment.
- This property, when completed, will offer superior amenities to its residents.
- The Development Partnership produces 5% (13 Units) and 45% (116 Units) at 80% AMI.
- The overall Public Benefit to the community is 95% of the project ad valorem taxes over 10 years. Industry averages are approximately 80 - 88%. (note there are various industry methods and public benefits calculations used across the state)
- If you eliminate the Disposition Fee, the Public Benefit remains strong at 79% of the ad valorem taxes. Industry averages are approximately 60%. (note there are various industry methods and public benefits calculations used across the state)
- The Developer scored 134 out of 150 or 89% on the Development Partner and Project Evaluation Factors.

Questions?