



Blackstone Property Solutions LLC:

Welcome to Blackstone Property Solutions LLC, led by Selim Lahoud. We specialize in transforming the real estate landscape with our innovative and visionary development projects. Our philosophy is to drive innovation, provide exceptional solutions, and foster sustainable growth across a wide range of real estate activities.

Innovative Business Solutions; Our passion for innovation and excellence drives us to deliver unparalleled solutions. With expertise in building, rehabbing, managing, and more, we focus on creating win-win solutions and a better future through our commitment to innovation.

Forward-Thinking Approach; As forward thinkers, we constantly seek new, cutting-edge approaches to revolutionize business landscapes. We provide optimal solutions tailored to unique challenges in equity, business, or property, moving beyond traditional methods to embrace transformative trends.

Diverse Property Focus; Our expertise extends across various property types, from real estate and land to historical sites and underutilized properties. We understand the unique challenges of different property categories and specialize in helping brick-and-mortar businesses thrive and adapt.

Maximizing Property Values; With over 30 years of experience, we are experts at increasing the value of properties and ideas with minimal effort and expense. Consulting with us is risk-free and promises only benefits, as we transform unseen potential into tangible success.

Blackstone Mill Mixed-Use Development

Business Plan: Blackstone Mill Mixed-Use Development

Executive Summary:

Introduction:

Blackstone Mill at Mill Street in Worcester represents a forward-thinking mixed-use development concept, poised to become a vibrant hub in one of the city's most dynamic districts. This development is envisioned to transform a historic, underutilized structure into a cutting-edge complex that seamlessly combines sustainability and contemporary conveniences. This strategic initiative aims to meet both community needs and investor expectations, fostering a synergy of residential and commercial prosperity.

Project Overview:

- Address: 17 Mill Street, Worcester
- Project Cost: \$1 million to 10 million
- Projected Annual Revenue: 400K year to \$4.5 million
- Projected Property Value upon Completion: 3M to \$25 million

Development Features

Property Location

17 Mill street, Strategically nestled near key transit routes including Route 12 and Route 9, and just two minutes from major interstates such as I-290, I-146, I-395, and the MassPike, Blackstone Mill boasts an enviable position. Its proximity to the serene Blackstone River enhances its appeal, offering scenic views that complement its urban surroundings. Situated between Main Street and Park Avenue — crucial arteries leading into the city — the property stands amidst esteemed educational institutions like Holy Cross and Clark University. Surrounded by a plethora of franchised stores such as



Applebee's and Duncan' Donuts, alongside major banks and nationally recognized brands, Blackstone Mill is at the heart of a bustling commercial zone. This prime location is underpinned by a demographic profile that promises high occupancy and substantial income, making it an exceedingly attractive venture for sustainable development.

Market Analysis:

Worcester's economy is on an upswing, with the city undergoing significant growth and development. According to the Worcester Economic Development Office, there is an acute need for new residential units to accommodate the burgeoning population. The demand is also surging for mixed-use spaces that offer the dual benefits of convenience and sustainable living—a trend that is not just a preference but a priority for the modern urbanite.

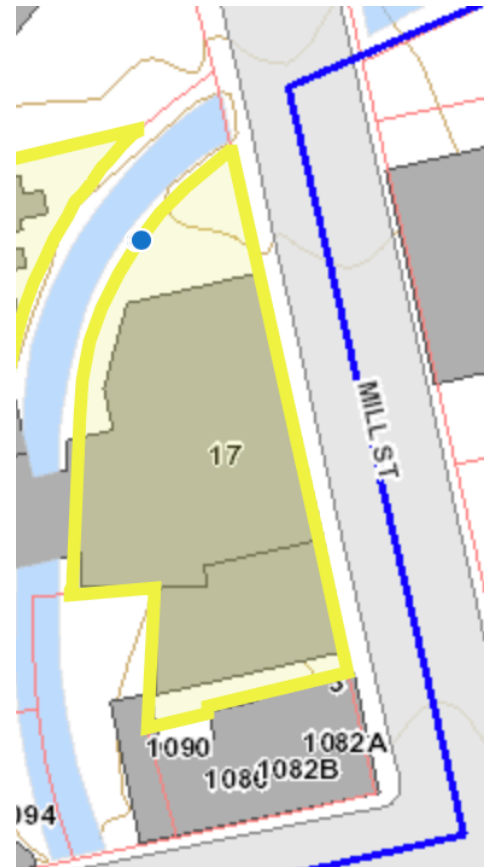
Opportunity:

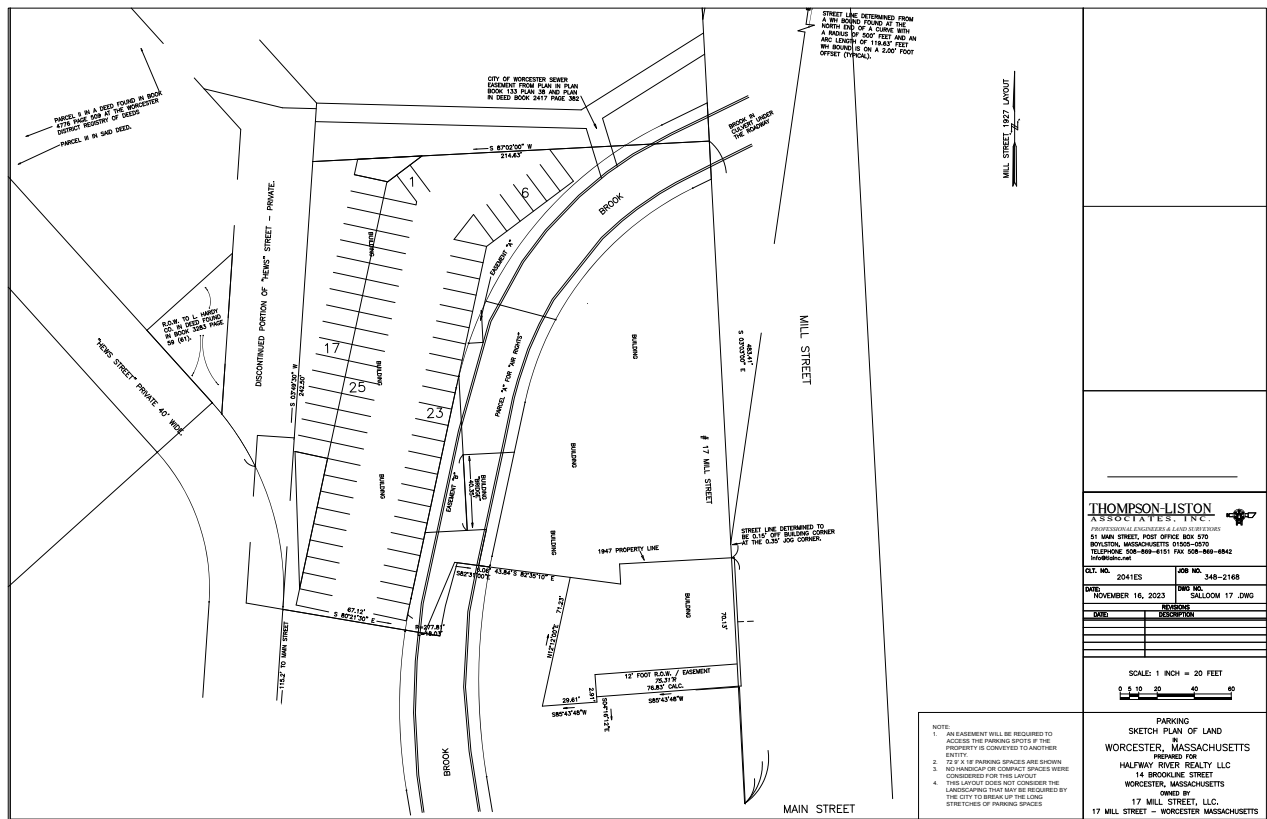
Blackstone Mill, located on Mill Street, is one of the few properties in the city still available for such development, presenting a unique opportunity. Its potential for transformation into a mixed-use complex aligns perfectly with the city's developmental trajectory. Over half a billion dollars are earmarked for projects in the next two years, indicating a robust and expanding economic environment.

Blackstone Mill stands out due to its strategic positioning. Nestled close to esteemed local universities and thriving businesses, the property is perfectly situated to attract young professionals, small families, and socially responsible businesses looking for a blend of urban accessibility and scenic charm. The riverfront views add an extra layer of appeal, setting the stage for a development that can offer a balanced lifestyle—right in the heart of Worcester's growth spurt. With the city's endorsement of the need for such spaces, Blackstone Mill is not only a promising venture in terms of financial returns but also a contribution to the city's vision for its future.

Enhanced Accessibility and Convenience:

A key feature enhancing the appeal of the Blackstone Mill development is the availability of extensive parking facilities. The property will include an exclusive arrangement for 72 parking spaces at operating per month, significantly bolstering the project's accessibility and user convenience. This dedicated parking provision not only serves the immediate





patrons of the Blackstone Mill's commercial and potential residential units but also presents a valuable amenity in the urban setting of Worcester.

Furthermore, additional parking spots will be available for lease, adding another layer of attraction for both commercial tenants and visitors. The ease of parking is a substantial factor in the commercial viability of mixed-use developments, and Blackstone Mill's ample parking solutions position it as a standout choice for prospective businesses and residents.

Financial Implications:

This availability of parking is expected to directly influence the commercial leasing rates positively, making the property even more desirable to tenants who value customer accessibility and convenience. The added parking revenue also enhances the financial model of the project, contributing to its overall cash flow and increasing its attractiveness to investors.

With the integration of these additional parking resources, the Blackstone Mill project solidifies its position as a highly feasible and successful venture within the Worcester community. It aligns with the city's growth trajectory and responds to the urban demand for developments that offer a blend of functionality, convenience, and sustainability.

Overall, the addition of significant parking capabilities to the Blackstone Mill project underscores its potential for success, making it an even more compelling proposal for all stakeholders involved.

Phasing:

The development of Blackstone Mill is meticulously planned to unfold in two distinct phases, ensuring a strategic and efficient transformation of the property.

Phase 1 - Stabilization and Commercial Leasing:

The initial phase is dedicated to stabilizing the existing structure and preparing it for commercial use. The focus will be on renovating and leasing spaces for a variety of businesses that cater to daily needs and lifestyle conveniences, such as restaurants, coffee shops, bakeries, and markets. This phase is crucial for establishing a commercial presence and generating immediate revenue, setting the stage for further development.

Phase 2 - Residential Development or Boutique Hotel Decision:

In the subsequent phase, a key decision will be made based on market research, community needs, and investor interests—whether to expand the property to include 48 residential units or to develop a boutique hotel boasting a hundred rooms. This phase is about scalability and adaptability, with the aim to enhance the property's value and service offerings, making it a cornerstone of urban living and hospitality.

Sustainability:

The pursuit of LEED certification and other sustainable living accolades is at the forefront of the project's ethos. Energy-efficient systems will be installed to curtail consumption and minimize the development's carbon footprint, reflecting a commitment to environmental stewardship.

Community Engagement:

In alliance with HUD, the project will forge a connection with the community, offering necessary support and assistance. This partnership emphasizes the social responsibility aspect of the project, ensuring that the development benefits a broad spectrum of the population.

Financial Projections and Phasing:

The initial capital requirement for the project is set at \$1 million, with a detailed breakdown of the projected cash flow as follows:

Positive cash flow is expected in both Phase 1 and Phase 2 of the project, demonstrating the financial viability and sustainability of the Blackstone Mill Mixed-Use Development. This positive cash flow can help cover operating expenses, debt service, and contribute to the long-term success of the project.

Initial Investment Costs:

- Property Acquisition: \$500,000
- Planning, Permitting, and Engineering: \$50,000
- Legal Expenses: \$10,000
- Construction of 10 Parking Spaces and 10 EV Charging Ports: \$100,000
- Commercial Space Development: \$200,000
- Administration/Consulting/Development Fees (6%): \$58,300
- Miscellaneous Costs (10%): \$90,000
- Developer Deposit: \$200,000

Financing:

- Secured Loan: \$800,000 at 7% Interest Over 20 Years

Total Initial Investment:

- \$1,208,300

Projected Operating Income for Phase 1:

- Billboard Advertising: \$2,500/month
- Coffee Shop Lease (3,000 sq. ft.): \$3,400/month
- Restaurant 1 Lease: \$6,000/month
- Restaurant 2 Lease: \$5,200/month
- Space 3 Lease: \$5,000/month
- 10 EV Charging Portal Revenue: \$9,400/month

Total Monthly Income: \$31,500

Total Annual Income: \$378,000

Operating Expenses for Phase 1:

- Vacancy Allowance (6% of Gross Income): \$2,000/month
- Property Taxes and Insurance: \$1,500/month
- Utilities, Water, and Sewer: \$1,500/month
- Landscaping and Snow Removal: \$700/month

- Maintenance Costs: \$500/month
- Additional Utilities: \$2,000/month
- Miscellaneous: \$1,500/month
- Management Fees (3% of Gross Income): \$2,000/month

Total Monthly Expenses: \$11,700

Total Annual Expenses: \$140,400

Overall Cash Flow Summary:

Annual Profit Before Debt Service:

Revenue: \$378,000

Expenses: \$140,400

Pre-Debt Service Cash Flow: \$237,600

Debt Service: Annual Mortgage Payment on \$800,000 Loan at 7%: \$78,000

Net Annual Profit (After Debt Service): \$159,600

The financial analysis of Phase 1 of the Blackstone Mill project reveals a robust economic case with a calculated, conservative approach. It is designed to be self-sustaining, generating a positive cash flow that comfortably covers operating expenses and services debt, ensuring a healthy financial buffer. This buffer is crucial for absorbing any unforeseen costs and securing the project's longevity.

Moreover, the development is poised to become a vital part of Worcester's growth, contributing to the urban fabric with its commercial tenancy mix and EV charging station—a sign of modern infrastructure that caters to future trends. The projected revenue from a diversified set of tenants underscores the attractiveness of the location and its potential to draw stable, long-term leasing agreements.

With the city's pressing need for new residential units and mixed-use spaces, the Blackstone Mill stands as one of the few remaining development-ready properties in Worcester. This positions the project not just as a financially sound investment but also as a strategic move in line with the city's economic development goals. The success of Phase 1 will pave the way for Phase 2, where the decision to expand the property into residential units or a boutique hotel will be made—further enhancing the property's value and service offerings to the community.

Overall, the Blackstone Mill project is not only feasible but stands as a testament to strategic urban planning and investment foresight, promising substantial returns and long-term benefits to the community and stakeholders involved.

Residential Component: Detailed Analysis

The residential aspect of the Blackstone Mill project is a pivotal component, designed to meet the growing demand for housing in Worcester while contributing significantly to the city's urban development. This portion of the project encompasses the construction and management of 48 two-bedroom, one-bathroom units, each ranging from 700 to 800 square feet. The development is meticulously planned to cater to a wide demographic, offering a blend of affordability, luxury, and sustainability.



Financial Overview:

- **Total Development Cost:** The construction of the 48 residential units is projected at \$10 million. This comprehensive figure includes all expenses related to construction, from materials and labor to permits and regulatory compliance.
- **Rebate and Developer Investment:** In a strategic move to foster sustainable development and ensure affordability, a \$2 million rebate is secured, translating to \$150K per unit for 25% of the units designated at median income rates. Additionally, the developer commits \$1.5 million in equity to the project, demonstrating confidence in its viability and success.
- **Financing Structure:** To finance the remainder of the project costs, a mortgage of \$6.5 million is obtained at a competitive interest rate of 6.5%. This financing approach is carefully structured to balance the project's initial capital requirements with long-term financial sustainability.

Income Projections:

- **Annual Revenue:** Once operational, the residential component is expected to generate approximately \$1.7 million in annual income. This revenue will primarily come from leasing the units at market rates, with a strategic pricing model that aligns with local housing demands and economic conditions.
- **Operating Expenses:** The annual operating expenses for the residential units are estimated at \$450,000. These expenses encompass property management, maintenance, utilities for common areas, and other operational costs that ensure the residential complex remains competitive, attractive, and well-maintained.

Profitability Analysis:

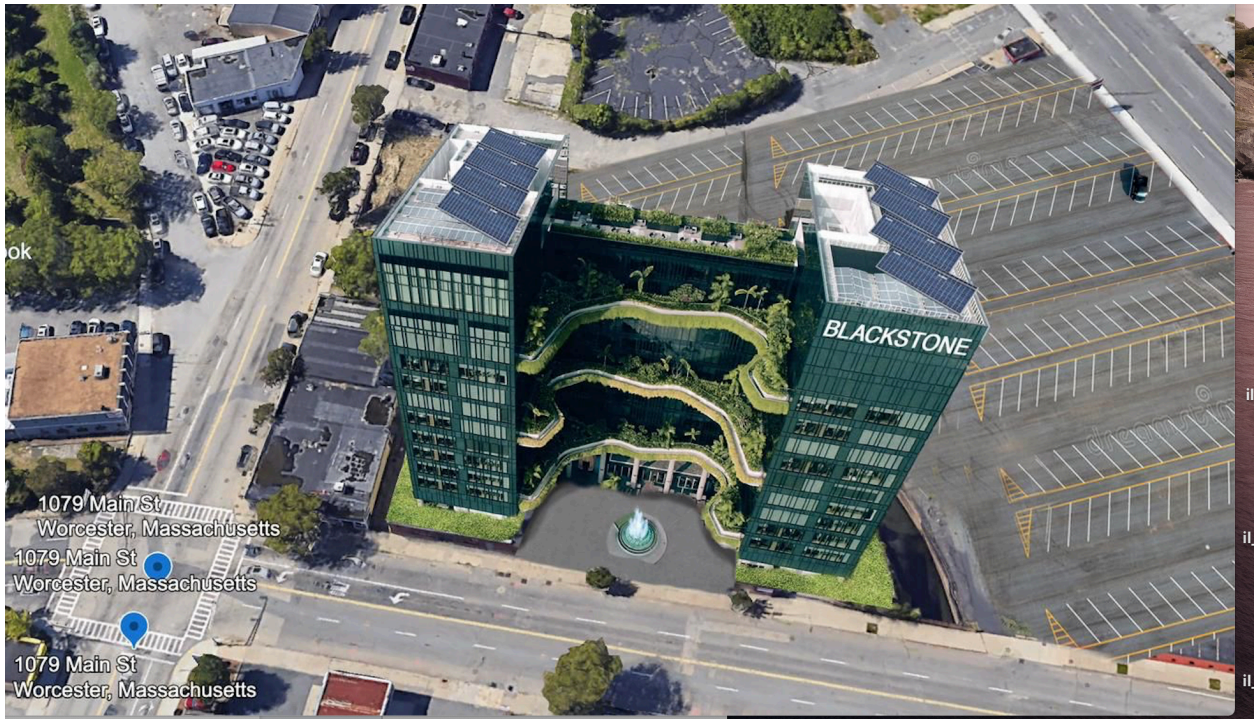
- **Mortgage Obligations:** The annual mortgage payment, accounting for principal and interest, is estimated at \$750,000. This figure is a critical component of the project's financial obligations and is meticulously planned to ensure long-term viability.
- **Net Profit:** After covering all expenses, including the mortgage payments, the project anticipates a net profit of \$500,000 annually. This profit margin underscores the financial attractiveness of the residential component, highlighting its potential to contribute positively to the developer's portfolio and offer substantial returns on investment.

Amenities and Sustainability:

The Blackstone Mill's residential units are designed with a focus on sustainability and quality of life. Residents will benefit from solar power, geothermal climate control, high-efficiency appliances, and in-unit water purification systems. These features not only reduce the environmental footprint of the development but also ensure residents enjoy a comfortable, eco-conscious living environment. The strategic inclusion of units at median income rates further demonstrates the project's commitment to community welfare and inclusivity, making it a model for responsible urban development.

Conclusion:

The residential component of the Blackstone Mill project is a carefully crafted initiative that balances financial viability with social responsibility. By integrating sustainable practices, offering competitive amenities, and ensuring a mix of affordable and market-rate housing, the project stands as a beacon of modern residential development in Worcester. Its success will not only yield significant financial returns but also contribute to the city's ongoing growth and development, marking a significant step forward in urban living solutions.



Business Plan: Blackstone Boutique Hotel

Executive Summary:

Blackstone Development, spearheaded by visionary leader Selim Lahoud, is proud to present the Blackstone Boutique Hotel, a transformative development in the heart of Worcester. Situated at 17 Mill Street, this project is poised to redefine luxury and sustainability in the hospitality industry. With a projected daily income of \$100,000 from our 100 meticulously designed rooms, each available at \$100 per night, our boutique hotel is set to become a cornerstone of the local economy and a beacon of modernity.

Project Overview:

- Address: 17 Mill Street, Worcester
- Project Cost: \$12 million
- Projected Annual Revenue: \$3.5 million
- Projected Property Value upon Completion: \$35 million

Development Features:

- Hotel Conversion: 100 luxury hotel rooms, with state-of-the-art amenities.
- Dining: A high-end restaurant and café, promising an unrivaled culinary experience.
- Sustainability: Advanced eco-friendly technologies, including solar power and geothermal climate control.

Market Analysis:

Worcester's growth and development surge positions the Blackstone Boutique Hotel as a sought-after destination for discerning travelers and locals. The strategic location and unique riverfront views make it an attractive choice for visitors.

Development Strategy:

- Amenities: A rooftop restaurant, a wellness center, and conference facilities.
- Sustainability: Aiming for LEED certification and other green initiatives.
- Community Engagement: Providing employment opportunities and integrating with the local fabric.

Financial Projections:

- Initial Capital Requirement: \$12 million. 2 Millions initial investment. 10 millions loan.
- Funding Structure: Equity, loans, and potential grants.
- Revenue Streams: 100 Room bookings at \$150 a room 30% vacancy, plus dining, events, and additional services the project will gross 4 million a year at 40% operating cost 2.4 million in profit before mortgage. Mortgage payment at 1 million a year profit of 1.4 million.

Operational Plan:

- Comprehensive staffing and service plan to ensure excellence in guest experience.
- Partnership with leading hospitality brands for operational support and standards.

Legal and Regulatory Compliance:

- Adherence to all hospitality regulations and codes for a safe and welcoming environment.

Conclusion: Blackstone Development is committed to the success of the Blackstone Boutique Hotel, ensuring its place as a landmark in Worcester and a profitable venture for our stakeholders.

Blackstone Development's commitment to the Blackstone Mill Mixed-Use Development project underscores its potential to become a landmark in Worcester. Through strategic planning, innovative development, and community engagement, the Blackstone Boutique Hotel is poised for success, promising substantial returns for stakeholders and valuable contributions to the local community.

sincerely yours
Selim Lahoud
selim@selimlahoud.com
Tel: 7742621252

