

Proposed Town Hall Purchase 807 Mountain Ave.



Prepared for:
Berthoud Board of Trustees
March 8, 2016

Purchase Contract Highlights

- Purchase Price: \$2,400,000
- 25,590 s.f. gross building area
- Typical Physical Due Diligence Complete
 - Alta Survey
 - Title Review
 - Building Inspection
 - Phase I Environmental Report
 - Appraisal
 - \$2,640,000 Sales Comparison Approach
 - \$2,600,000 Direct Capitalization Approach

Purchase Contract Highlights

- Bank Lease Back
 - 6-month lease back of full facility for planning purposes and construction
 - \$16,000/month gross rent during lease back
 - At end of leaseback – will determine area to lease back on longer term basis (2000-2400 s.f. + drive-thru) at \$24/s.f. gross
 - Cultura and Edward Jones will continue to lease space on 2nd floor – contribute ~\$100K in gross annual rent.

Financial Highlights

- 7.5% return on cost during 6-month planning period/leaseback.
- Thereafter – two scenarios:
 - Bank reduces to ~2,200 s.f.
 1. Gross annual rent:
 2. Estimated annual expenses:
 3. Town's net cost of ownership:
 4. Space available for Town Hall:
 - Bank moves out completely
 1. Gross annual rent:
 2. Estimated annual expenses:
 3. Town's net cost of ownership:
 4. Space available for Town Hall:

Scenario 1 – Bank Reduces to 2,200 SF

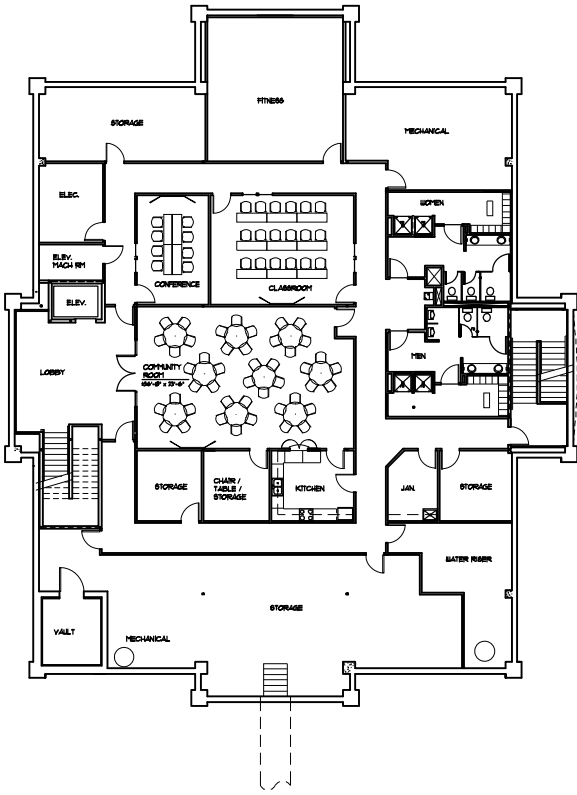
	Year 1	Year 2	Stabilized Year 3
For the Years Ending	<u>Dec-2016</u>	<u>Dec-2017</u>	<u>Dec-2018</u>
Effective Gross Revenue	148,948	106,608	107,673

Scenario 1 – Bank Reduces to 2,200 SF

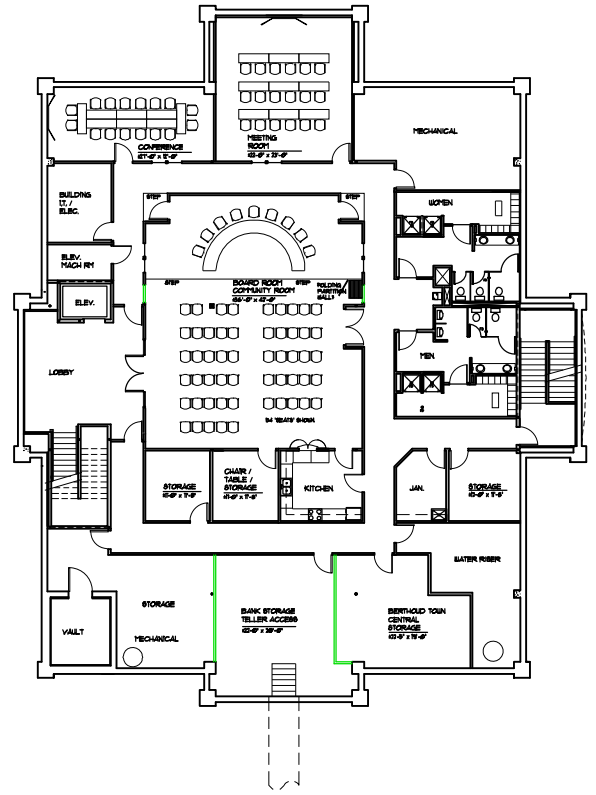
	Year 1	Year 2	Stabilized Year 3
For the Years Ending	<u>Dec-2016</u>	<u>Dec-2017</u>	<u>Dec-2018</u>
Operating Expenses			
Property Taxes	\$0	\$0	\$0
Property Insurance	\$2,625	\$3,605	\$3,713
CAM & Management Fee	\$28,182	\$38,703	\$39,864
Utilities	<u>\$23,309</u>	<u>\$32,011</u>	<u>\$32,972</u>
Total Operating Expenses	\$54,116	\$74,319	\$76,549

Scenario 1 – Bank Reduces to 2,200 SF

	Year 1	Year 2	Stabilized Year 3
For the Years Ending	<u>Dec-2016</u>	<u>Dec-2017</u>	<u>Dec-2018</u>
Net Operating Income	\$94,632	\$32,289	\$31,124
Leasing & Capital Costs			
Tenant Improvements	\$50,000	\$0	\$0
Total Leasing & Capital Costs	<u>\$50,000</u>	<u>\$0</u>	<u>\$0</u>
Cash Flow Before Debt Service & Taxes	\$44,832	\$32,289	\$31,124



Existing



Proposed

Lower Floor

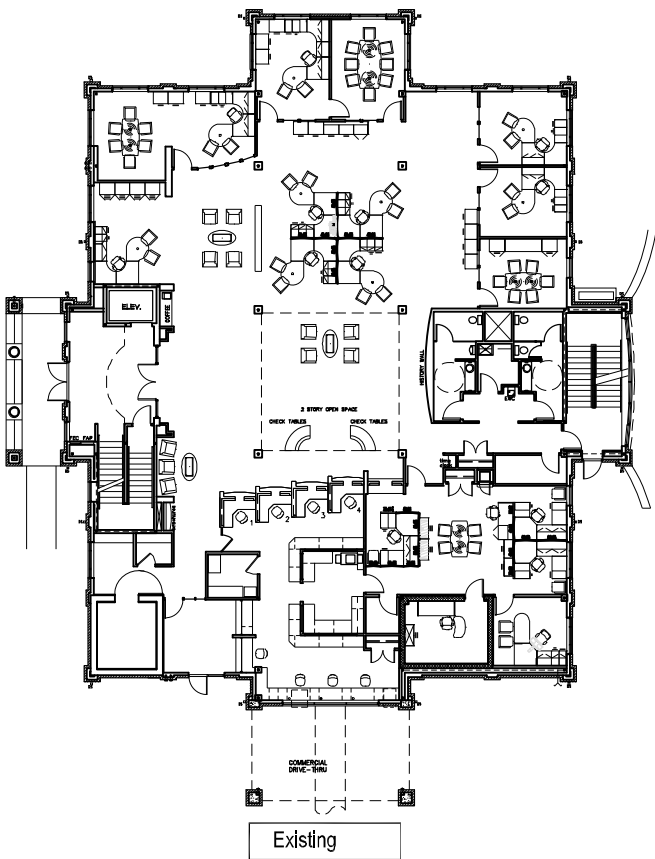
NTS

3-8-15

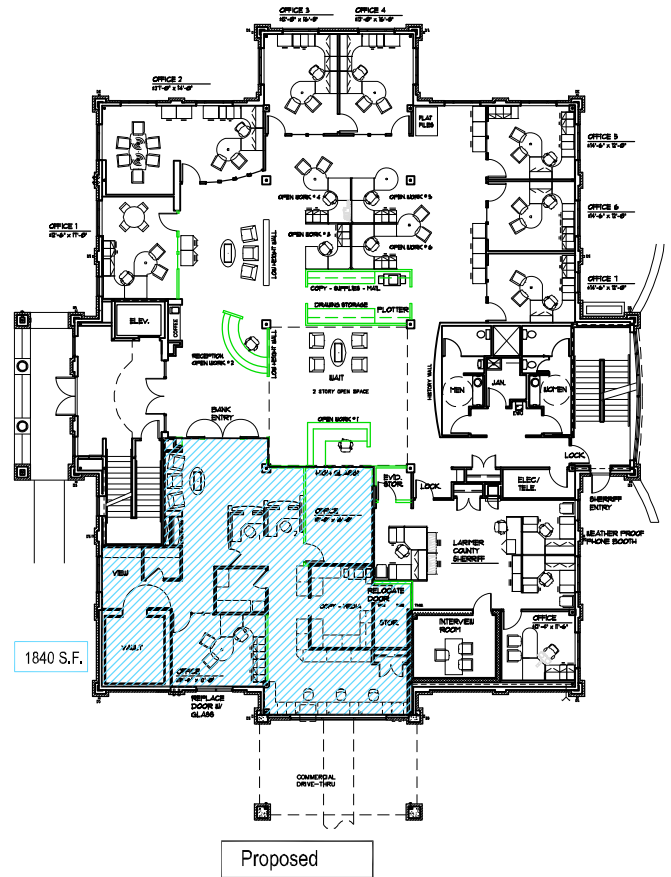
Berthoud Town Hall

Berthoud, Colorado





Existing



Proposed

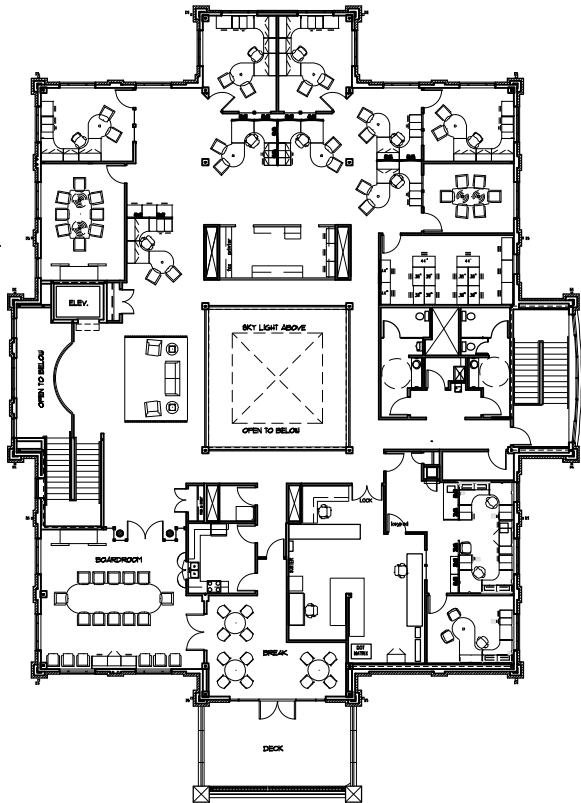
Main Floor

NTS 3-8-15

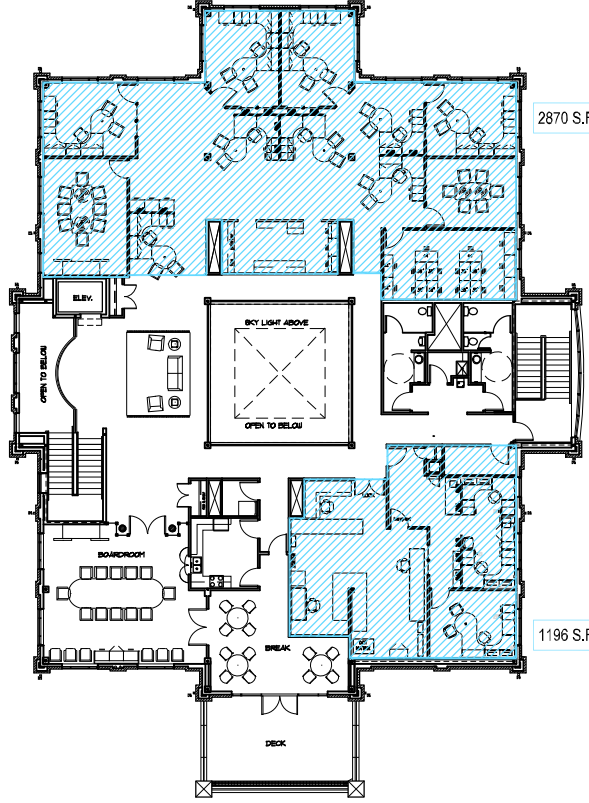
Berthoud Town Hall

Berthoud, Colorado





Existing



Proposed

2870 S.F.

1196 S.F.

Second Floor

NTS 3-8-15

Berthoud Town Hall

Berthoud, Colorado

