

## Possible Scenarios for Reducing the Capital Cost of the Madison Public Market and the Estimated Corresponding Impacts on Operating Feasibility

Draft Estimates for Discussion Purposes: 2/1/18

	Original	Scenario 1 <i>Priority: Maintain Leasable Space and minimal reductions of event space and FIC</i>		Scenario 2 <i>Priority: Maintain Event Space (reduce retail stalls and FIC)</i>		Scenario 3 <i>Priority: Maintain FIC (reduce retail stalls and event space)</i>	
		SF	SF	change from original	SF	change from original	SF
<b>Market Hall</b>							
Small Stalls (100-400 SF)	6,000	5,600	(400)	4,000	(2,000)	3,400	(2,600)
Storefronts	6,900	5,600	(1,300)	3,900	(3,000)	3,000	(3,900)
Flex/Event	8,500	4,000	(4,500)	8,500	-	2,500	(6,000)
Aisles and Circulation	8,700	6,900	(1,800)	6,900	(1,800)	6,900	(1,800)
<b>subtotal</b>	<b>30,100</b>	22,100	(8,000)	23,300	(6,800)	15,800	(14,300)
<b>Food Innovation Center</b>							
Production Kitchen	1,500	1,200	(300)	1,200	(300)	1,200	(300)
Conf Room	500		(500)		(500)	500	-
Training/Processing Kitchen	2,000	1,200	(800)		(2,000)	2,000	-
Non-Profit Leasable Office Suites	5,000		(5,000)		(5,000)	5,000	-
<b>subtotal</b>	<b>9,000</b>	2,400	(6,600)	1,200	(7,800)	8,700	(300)
<b>Support Space</b>							
Loading and Storage	3,000	1,600	(1,400)	1,600	(1,400)	1,600	(1,400)
Mechanicals	300	200	(100)	200	(100)	200	(100)
Restrooms	1,200	600	(600)	600	(600)	600	(600)
Market Staff Offices	1,200	800	(400)	800	(400)	800	(400)
Circulation	200	200	-	200	-	200	-
<b>subtotal</b>	<b>5,900</b>	3,400	(2,500)	3,400	(2,500)	3,400	(2,500)
<b>TOTAL SF</b>	<b>45,000</b>	27,900	(17,100)	27,900	(17,100)	27,900	(17,100)

ESTIMATED OPERATING INCOME IMPACTS							
Rent Revenue	\$383,775	\$333,200	(50,575)	\$235,025	(148,750)	\$190,400	(193,375)
Event Revenue	\$97,500	\$45,882	(51,618)	\$97,500	-	\$28,676	(68,824)
Food Innovation Center Revenue	\$150,000	\$40,000	(110,000)	\$20,000	(130,000)	\$145,000	(5,000)
<b>OPERATING INCOME</b>	<b>\$631,275</b>	<b>\$419,082</b>	<b>(212,193)</b>	<b>\$352,525</b>	<b>(278,750)</b>	<b>\$364,076</b>	<b>(267,199)</b>

POTENTIAL OPERATING COST SAVINGS	
Eliminate FIC Manager or Operations Manager position	\$81,250
Reduce all other non-personnel expenses by ratio of building size reduction	\$155,556
<b>TOTAL SAVINGS</b>	<b>\$236,806</b>

NET IMPACT ON OPERATIONAL FEASIBILITY	Scenario 1	Scenario 2	Scenario 3
Savings	\$236,806	\$236,806	\$236,806
Lost income	(212,193)	(278,750)	(267,199)
<b>NET IMPACT</b>	<b>\$24,613</b>	<b>(\$41,944)</b>	<b>(\$30,393)</b>
<b>Feasible Change?</b>	yes	no	no