

The Villager

2010 Budget Presentation

November 16, 2009

2009 Status/Projections vs. 2010 Proposed Budget

Cash Flow after Debt Service		
2009 Budget		\$ 38,871
2009 Current Projection	\$ 154,688	
2010 Proposed budget	(\$608,765)	
Income		
2009 Budget		\$1,491,981
2009 Current Projection	\$1,500,420	
2010 Proposed Budget	\$1,441,691	
Operating Expenses		
2009 Budget		\$860,246
2009 Current Projection	\$862,535	
2010 Proposed Budget	\$857,702	
Net Operating Income		
2009 Budget		\$631,735
2009 Current Projection	\$637,885	
2010 Proposed Budget	\$583,989	

Issues of Note

Construction at The Villager has impacted all tenants and visitors during 2009. Despite these challenges, tenants have maintained a positive outlook and visitor complaints have been few. The only non-construction issue of note in 2009 is the roof repairs to the north portion of the building (\$50,000) that is currently underway.

Common area expenses for 2010 are expected to total \$6.94 p.s.f. vs \$6.09 p.s.f. projected for 2009. The Net Operating Income for 2010 is expected to drop to \$583,989 vs the 2009 projected \$625,450. It should be noted that the leasable area of the Villager will drop from 142,717 s.f. to 123,532 s.f. in 2010. This is due to the expected demolition of the south portion of the building that now includes Dane County Human Services (SOME 1) at 15,000 s.f. and Yue Wah at 6,000 s.f. Dane County will move into the Atrium. We are currently exploring options for relocating Yue Wah to another portion of the property.

The negative cash flow projected for 2010 is related to tenant improvement costs for new tenants. Most of these funds are budgeted as an allowance for expected lease deals for 2010.