

James Madison Park  
- Proposal Review (April 10, 2012) -

Proposer	704 East Gorham St			646 East Gorham St		
	Klebba / Waugh	Fant	JDM Properties	Doane - Suska	O'Kroley	JDM Properties
<b>Purchase Price (1)</b>	<b>\$ 130,000</b>	<b>\$ 185,000</b>	<b>\$ 200,000</b>	<b>\$ 190,000</b>	<b>\$ 150,000</b>	<b>\$ 250,000</b>
Annual Lease Payment (2)	\$ 4,500	\$ 5,830	\$ 8,000	\$ 7,800	\$ 7,800	\$ 8,000
Rate of Return on Lease Payment (based upon Appraised Land Value)	1.70%	2.20%	3.02%	3.47%	3.47%	3.56%
Estimated Improvement Costs	\$ 222,400	\$200,000 - \$300,000	\$ 179,895	\$ 225,000	\$ 215,000	\$ 232,065
<b>Total Appraised Value</b>	<b>\$ 450,000</b>			<b>\$ 425,000</b>		
<b>Appraised Improvement Value</b>	<b>\$ 185,000</b>			<b>\$ 200,000</b>		
<b>Appraised Land Value</b>	<b>\$ 265,000</b>			<b>\$ 225,000</b>		
<b>Appraised Annual Land Lease Payment (3)</b>	<b>\$ 18,550</b>			<b>\$ 15,750</b>		

**NOTES**

- 1) The City appraisal supports the Purchase Price of the Fant, JDM Properties and Doane-Suska proposals.  
The Purchase Prices of the Klebba / Waugh and O'Kroley proposals are below the value established by appraisal.
- 2) The Annual Lease Payments include rent escalators. City staff will negotiate the final rent escalator following selection by the Common Council.
- 3) The Appraised Annual Land Lease Payment was established by applying a 7% rate of return to the appraised land value.

**James Madison Park Surplus Properties  
Total City Revenue**

12/13/2011

	Year 1 Lease Payment (1)	5 Year Lease PMT Total	5 Yr Room Tax Revenue	10 Year Lease PMT Total	10 Yr Room Tax Revenue	Building Purchase Price		Total 5 Yr Revenue	Total 10 Yr Revenue
<b>704 East Gorham Street</b>									
Klebba / Waugh(2)	\$ 4,500	\$ 23,891	\$ 40,114	\$ 51,587	\$ 109,261	\$ 130,000		<b>\$ 194,005</b>	<b>\$ 290,848</b>
Fant	\$ 5,830	\$ 30,952	\$ -	\$ 66,834	\$ -	\$ 185,000		<b>\$ 215,952</b>	<b>\$ 251,834</b>
JDM	\$ 8,000	\$ 42,473	\$ -	\$ 91,711	\$ -	\$ 200,000		<b>\$ 242,473</b>	<b>\$ 291,711</b>
<b>646 East Gorham Street</b>									
Doane / Suska	\$ 7,800	\$ 41,411	\$ -	\$ 89,418	\$ -	\$ 190,000		<b>\$ 231,411</b>	<b>\$ 279,418</b>
O'Kroley	\$ 7,800	\$ 41,411	\$ -	\$ 89,418	\$ -	\$ 150,000		<b>\$ 191,411</b>	<b>\$ 239,418</b>
JDM	\$ 8,000	\$ 42,473	\$ -	\$ 91,711	\$ -	\$ 250,000		<b>\$ 292,473</b>	<b>\$ 341,711</b>

ASSUMPTIONS

- 1) Rate of increase on lease payments is 3% / year. All "Year 1 Lease Payments" were provided by the respondent
- 2) NOTE: Klebba / Waugh proposal includes payments for 5 and 10 years of room tax, based upon respondent's room tax estimates.
- 3) The above Lease Payments, Building Purchase Prices and Room Tax Revenue do not include any general tax payments.