

Rent Analysis: 6781 Highway 10

Input Data (Property)		
71,703.00	Square Feet, Total Property	
22,000.00	Square Feet, Leasable	30.68%

Asking Price (Pro Power Request, entire property)		
\$ 6,000.00	Annual	
\$ 500.00	Monthly	
\$ 0.273	Per Square Foot	

Fixed Costs (City)		
<u>Annual Detail</u>		
\$ 3,500.00	Taxes	
\$ 100.00	Legal (2 year lease)	
\$ 480.00	Finance/Prop Mgmt (\$40 per month)	
\$ 500.00	Property Maintenance Account	
\$ 500.00	Property Insurance	
<u>Total</u>		
\$ 5,080.00	Annual	
\$ 423.33	Monthly	
\$ 0.231	Per Square Foot	

Staff Recommendation		
<u>Staff Proposal</u>		
\$ 7,800.00	Annual	
\$ 650.00	Monthly	
\$ 0.355	Per Square Foot	
<u>Revenue in Excess of Fixed Costs</u>		
\$ 2,720.00	Annual	
\$ 226.67	Monthly	
\$ 0.124	Per Square Foot	

Market Insight (outside storage, end user/retail price)		
<u>Lower End (without CAM, including Taxes)</u>		
\$ 8,800.00	Annual	
\$ 733.33	Monthly	
\$ 0.40	Per Square Foot	
<u>Higher End (without CAM, including taxes)</u>		
\$ 13,200.00	Annual	
\$ 1,100.00	Monthly	
\$ 0.60	Per Square Foot	

Considerations	
*Only user possible is Pro Power (very limited demand)	
*Potential user expressed \$500 is the max (entire property)	
*Council has indicated they would like RALF leases to be as close to the market as possible	
*Based on previous lease w/Crystal Pierz, about \$800 per mo	
*Crystal Pierz expressed frustration (including rent rate)	
*Based on input from Premier Commercial Realty, Staff's recommendation is reasonable given the circumstance. However, is slightly below market.	
*Staff's recommendation covers all City fixed costs and more. Additionally, Staff's recommendation is near market rate. Considering how the negotiation process has transpired, Staff feels \$650 per month is a reasonable agreement for both parties.	