

Lincoln County

May 8, 2023

Lincoln County Courthouse Redevelopment



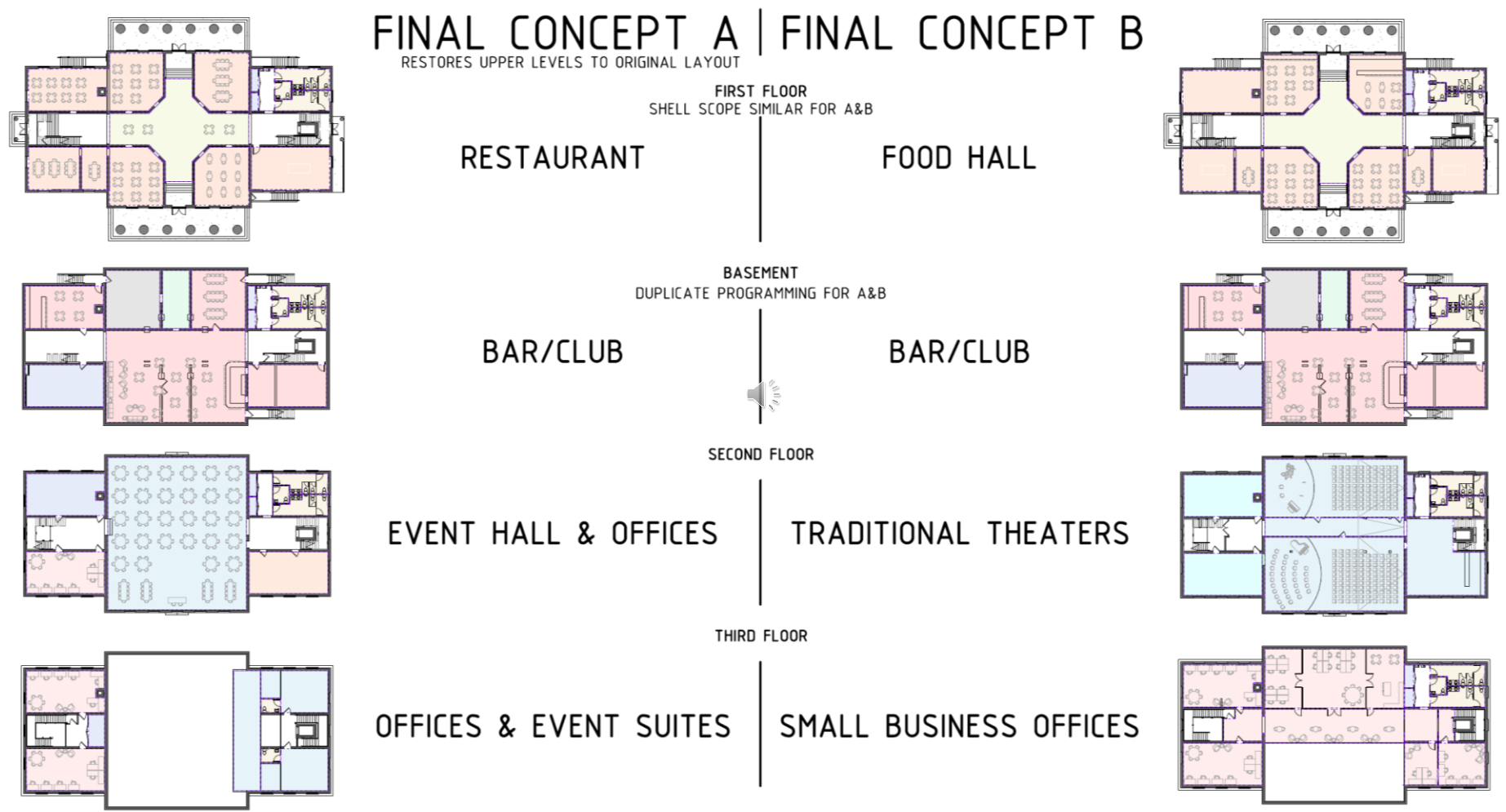
Financial Analysis



SCHOOL OF GOVERNMENT
Development Finance Initiative



Design Concepts



04.21.2023



Development Assumptions

- Total estimated development budget:
 - Concept A → \$6M
 - Concept B → \$6.8M
- Assumes landlord will lease space to food hall and co-working operators
- No 3rd party property manager
- No additional personnel costs associated with event/theater spaces

Construction Assumptions

Hard Cost Reno Budget (shell condition)	\$150.00
Soft Costs (A&E, site, etc.)	\$25.00
Auditorium/Event Hall FF&E	\$125.00
Upfit Allowance - Office	\$30.00
Upfit Allowance - F&B	\$50.00

Rent Assumptions

Office (NNN)	\$15.00
Restaurant/Bar/Food Hall (NNN)	\$10.00
Event Hall rental fee	\$1,500
Auditorium/Theater rental fee	\$1,000
# of event rentals (annual)	24
# of theater rentals (annual, combined)	30
Vacancy (office/F&B only)	10%

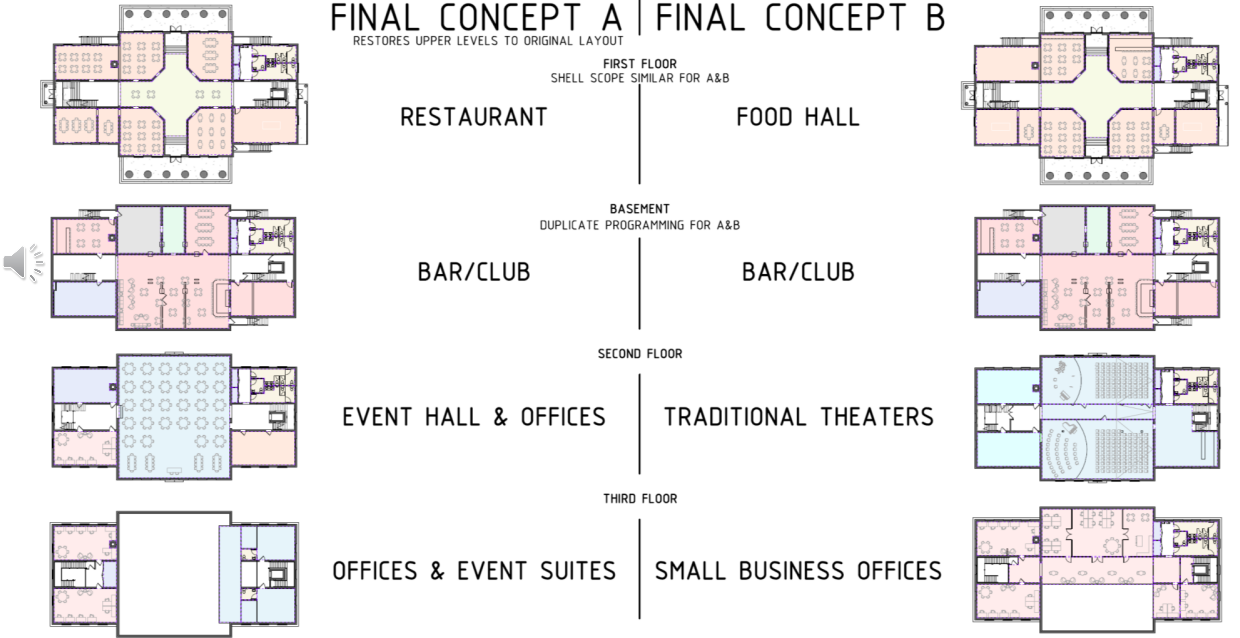
Development Programs

Concept A Program				
<u>Floor</u>	<u>Use</u>	<u>SF</u>	<u>RSF</u>	<u>Rent Rev</u>
Basement	Bar/Club/Speakeasy	7,880	6,000	\$ 60,000
First Floor	Restaurant/Bar	7,880	6,000	\$ 60,000
2nd Floor	Event Hall	7,880	5,000	\$ 36,000
3rd Floor	Office	3,600	1,250	\$ 18,750
		27,240	18,250	\$ 174,750

Concept B Program				
<u>Floor</u>	<u>Use</u>	<u>SF</u>	<u>RSF</u>	<u>Rent Rev</u>
Basement	Bar/Club/Speakeasy	7,880	6,000	\$ 60,000
First Floor	Food Hall/Vendors	7,880	6,000	\$ 60,000
2nd Floor	Auditorium/Theaters (2)	7,880	4,500	\$ 30,000
3rd Floor	Office	7,880	5,000	\$ 75,000
		31,520	21,500	\$ 225,000

Development Budgets

Development Budget Estimate - Concept A	
Hard Costs - Shell	\$ 4,086,000
Event Hall FF&E	\$ 625,000
Food & Bev upfit allowance	\$ 600,000
Office upfit allowance	\$ 37,500
Soft Costs	\$ 681,000
Total	\$ 6,029,500
Development Budget Estimate - Concept B	
Hard Costs	\$ 4,728,000
Auditorium FF&E	\$ 562,500
Bar/Speakeasy upfit allowance	\$ 600,000
Office upfit allowance	\$ 150,000
Soft Costs	\$ 788,000
Total	\$ 6,828,500



LINCOLN COUNTY COURTHOUSE
CONCEPT COMPARISONS



Ownership Investment Scenarios

- Estimated \$1.5M - \$2.3M investment (on top of state funds) to get building ready for marketing to tenants, operators, and events
- Estimated annual cash flow (to landlord) from rental revenue (average over 10 years, net of OpEx, vacancy, and maintenance):
 - Concept A → \$120,000
 - Concept B → \$160,000

Sale and Property Tax Revenue Considerations

- Courthouse is currently assessed for ~\$4M... estimated to be ~\$6.5M – 7M after renovation (pre-upfit)
- Extremely hard to back into a potential sales price (and would require a formal appraisal), but a reasonably estimate is \$1.5M - \$2M based on current projected uses and revenue estimates
- Estimated annual tax revenue post-sale is ~\$90,000:
 - County - \$50k
 - City - \$40k