

TAC Aleutian Village Discussion Elements

1) SURVEY RESULTS ABOUT PARK RESIDENTS

2) PARK ESPENSES, REVENUES AND COMPLETION/CLOSURE COSTS

Annual Park Expenses:

- State DOT Rent at \$2,500/month.....\$30,000/Year
- Property Taxes..... 14,000
- Snow Removal? 5-6 months at \$6,000-8,000..... 36,000
- Utilities? \$6-7,000/month..... 10,000
- Insurance \$1,000/month....Maintenance \$38,000/year..... 50,000?
- Management, A/R, Operations..... 40,000?

TOTAL ANNUAL OPERATING EXPENSES..... \$180,000

Annual Park Rental Income:

- o Current 60 units at \$250/month..... \$180,000
- o Current with 25% Delinquent..... \$135,000
- o Current Annual Operating Loss Averages?..... \$ 45,000
- o With 10-20% ROI and Contingency...80 at @ \$250 or 60 @ \$333..... \$240,000

Park Closure and Restoration/Cleanup Costs..... \$500,000-350,000

Potential City Penalties and Fee Waivers..... \$180,000

Potential Costs of Extending Closure Deadline from 8/'16 to 10/'18 with City Option... \$125,000

Estimated Systems Completion and Site Environmental Clean-UP (if Park stays open)... \$500,000

3) OPTIONS

- Park Closes 8/31/2016...still likely (pay your rent!)
- Homeowners Association forms and operates...not likely with operating loss or breakeven
- Outside 3rd Party Investor/Operator...not likely without significant rent increases
- City buys from the State and subdivides into mixed use development (single, double, MF lots)