

Fourth and Gill  
Neighborhood Center  
Informational Packet

**Keep the Center  
Option**

October 2021

Information provided by:  
the Fourth & Gill Neighborhood Organization Board

and compiled by:  
the East Tennessee Community Design Center

# **Keep the Center Option**

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# Keep the Center Option

## Summary

- Our plan offers our neighborhood lots of private events, classes, free organization meetings, and arts performances for all ages that nurture individuals and build community. You will have a voice in all we do.
- Expected income from four office rentals upstairs, space rentals downstairs, and fundraising will generate sufficient funds to cover operating expenses according to a five-year business plan.
- Neighbor Thomas Boyd is donating \$50,000 to subsidize startup. Another \$100,000 creates a fund for permanent building maintenance and upgrades. Value of building increases under FGNO ownership.
- No risk - after 4 years we evaluate and can convert to full building rental if needed. Rental income is double the value of the SELL option endowment returns.
- Building will be managed by two part-time staff to manage the community center, rentals and building upkeep. A neighborhood board with FGNO representative will oversee management.

**Purpose:** The mission of the Fourth and Gill Neighborhood Center is to **offer programs, events and gatherings for residents** of the Fourth and Gill Neighborhood and the wider community **that nurture individuals and build community.**

**History:** It is a little-known fact that our neighborhood’s identity is tied to the building at the corner of Fourth and Gill. The name speaks to the past importance of the Neighborhood Center (NC) and the importance it can hold again in our future. **For fifty years, the Center has provided indoor and outdoor space for a variety of programs and activities.** The second floor has provided four art studio/office spaces and rental income. Just two years ago, programs included children’s art activities, beginning Spanish classes, movie nights, a dramatic comedy, yoga, discussions of current issues, and monthly group meetings for Adult Children of Alcoholics and Latino immigrants. Neighborhood residents themselves led programs on tree identification, the neighborhood housing cooperative, locally authored books, food preservation and poetry readings.

**The proposal to “KEEP THE NEIGHBORHOOD CENTER”:** The Neighborhood Center Committee (NCC) proposes retaining the Center building as a self-sustaining community center for uses similar to those above - and more. The vision taking shape now is more integrated with the neighborhood and better structured for long term sustainability. **What’s important is that it becomes a space where everyone belongs! We envision a Neighborhood Center as a place to share interests, from wine nights to gardening to local politics. It supports families by hosting activities from babysitting co-ops to clothing swaps. It can host classes for all ages and opportunities for community service.** And it’s all made possible by a foundation of solid nonprofit management.

In the 1970’s Gene Monday, a wealthy landlord, donated the building later known as the Fourth and Gill Neighborhood Center “to serve the people and do good charitable work.” His letter states that if the building is no longer used for community charitable activities, it would convert to ownership of Saint James Church nearby. Our organization accepted the building with that understanding but technically the letter is not legally binding. This proposal honors the donor’s intent.

**Neighborhood investment:** **Neighborhood residents and friends have made significant contributions of money and labor to our 130-year-old Center.** Within the past ten years, neighbors restored the large pocket doors, replaced and tiled the kitchen floor, rebuilt the restroom, removed wallpaper, repainted the downstairs, restored stained glass windows, and built a large outdoor shed. In 2019, the City awarded a grant of \$25,000 to rebuild the front porch as it was in 1891. That was matched by \$13,000 raised in a year-long neighborhood campaign. The grant was awarded in part because of **“the inherent value of the Fourth and Gill Neighborhood Center as a community meeting space for North Knoxville residents.”** In 2021, forty residents contributed volunteer labor worth \$8,000 to repair, repaint and bring new life to the old building. These are clear signs of support.

**Boyd Donation:** In August, the 4th and Gill board received another generous offer: “My wife and I would like to give our community center a fighting chance to be a sustainable center of our neighborhood community,” begins a letter from neighbor Thomas Boyd of Luttrell Street. Thomas goes further to explain that he and his wife, Lindsey, are committed to **donating \$150,000 to the community center to assist with operating expenses plus building improvements and long-term maintenance.** The Boyd’s gift will guarantee that the first year’s operating cost of the neighborhood center is secure, major building improvements can be undertaken and long-term maintenance will be underwritten. This proposal is closely integrated with the Boyd’s plan.

**Financial sustainability:** **Financial sustainability is a central goal.** Budget scenarios and operational models have been diligently researched to ensure the Center’s viability for the future. **Income will be expected from four office/studio rentals upstairs along with space rentals downstairs, for private events, classes, organization meetings, and arts performances.** The Committee has developed income projections and looked at the rental market. We drafted balanced budgets from the startup year to full operation. We suggest that a trial period with benchmarks would allow the plan to be tested over three years. The Boyd donation provides \$3,500 per year to offset annual maintenance expenses via endowment earnings. Some adaptation of these plans will be necessary due to Covid 19 through at least June 2021. A contingency budget has been prepared.

**Operations:** **The Neighborhood Center Committee proposes that the day to day management of the Center be carried out by two part-time staff persons: a Coordinator and a building Caretaker.** The Coordinator will manage duties such as promoting use of the Center, scheduling events, managing volunteers, communicating with the neighborhood, and assuring adequate funding. The Caretaker oversees building maintenance, cleaning, and security. The staff will be hired and supervised by the Neighborhood Center Committee. **The Fourth and Gill Board maintains an oversight role and delegates authority to the Committee.** A sitting board member will participate on a governance sub-committee to keep an open channel of communication. Resident work groups will assist the staff in three areas: 1) building, 2) fundraising and 3) programming.

After 3 years of startup operations and building upgrades, we project that the demand for our affordable space and programming will allow the Neighborhood Center to be self-sustaining.

**The “fail safe” plan:** “What will happen if the operation of the neighborhood center proves unfeasible, either due to the lack of funds or the lack of capacity of the neighborhood organization to operate the center?” While this is unlikely, there is a clear and preferable alternative to selling the building - a “fail safe” plan. **If operating a community center is no longer feasible, the building can be retained and rented. Renting the building would clear ~ \$21,000 in annual profits for the neighborhood.** And the building could still be used as a community center, either in whole later or in part through an arrangement with the tenants. **This fail-safe plan promises more annual income than selling the building to establish an endowment, plus retains the building as a neighborhood asset. If we sell the building now, the opportunity for having a community center with all its space and community building activities is gone forever.**

**KEEP: Revitalized Community Center with "fail-safe" backup plan, utilizing Boyd family donation.**

DETAILS	PROS	CONS
The mission of the Fourth and Gill Neighborhood Center is to offer programs, events and gatherings for residents of the Fourth and Gill Neighborhood and the wider community that nurture individuals and build community.	Enhances livability of the Neighborhood by providing a myriad of community activities, entertainment events and children's programs, which ultimately increases desirability and property values.	Requires FGNO capacity to oversee and operate the neighborhood center.
The neighborhood center building will be used for community activities such as celebrations, arts and cultural activities, music, classes and children's programs.	Opportunity to revamp the programming and events to meet the current needs of Neighborhood under FGNO oversight.	Cash flow from fundraising and events is never guaranteed
The F&G Neighborhood Center will be financially self-sufficient through diversified revenue sources and carefully balanced budget.	Community centers are magnets for health by fostering friendships, fighting isolation and loneliness, and building networks of support that increase individual and community resilience. (Palaces for the People, 2016)	Requires NC Committee capacity to supervise the staff.
Day to day management of the center by two part-time staff persons: a Coordinator and a building Caretaker.	The NC offers affordable office and rental space that is in high demand.	Requires NC Committee capacity for tenant management
Revenue from four office/studio spaces upstairs, plus rentals downstairs for private events, classes, organization meetings, and arts performances.	The NC will support families. There is no other walkable indoor space for low cost family programs	Requires coordination of on-going maintenance of the building.
Leverages \$150,000 donation from Thomas and Lindsey Boyd	Boyd \$50,000 gift pays for building improvements and operating expenses. Boyd \$100,000 endowment pays for building maintenance and repairs.	Covid 19 will continue to hinder event rentals in the first year.
"Fail safe" backup plan: If after 4 years it is clear that operating a community center is no longer feasible, the building can be rented entirely and generate \$20,000 annual income for F&G.	As a backup, renting (rather than selling) assures the building remains a neighborhood asset for future generations. If the building is sold, the opportunity for a community center will be gone forever.	Expected growth will create potential for scheduling conflicts
	FGNO residents receive a discount on single-use party rentals and other private events	
	Will provide opportunities for giving back through neighborhood and community service	
	FGNO residents will be active program designers, not just participants	
	Provides opportunity for residents to earn extra income by offering classes	
	Youth will gain leadership experience by partnering in planning activities	
	Creative local residents and artists will have spaces to exhibit or perform-we will be listed on local artist space rental list	
	Will provide intimate space for diversity of live theatre, art and music performances	

## SUMMARY

**The F&G Neighborhood Center will be financially self-sufficient through diversified revenue sources and carefully balanced budget.** Revenue from office/studio rentals, single-use event rentals, donations and grants will generate sufficient funds to cover operating expenses (including two part-time staff to manage the community center, rentals and building upkeep).

## REVENUE SOURCES

### **Office/Studio Rentals**

- The upstairs contains four (4) office/studio spaces leased to tenants.
- Estimated annual revenue:
  - Year 1: \$11,000 annual rental income in total
  - Year 2-5: \$14,000 per year (includes a portion of utilities paid by tenants)

### **Single-use Rentals**

- The downstairs will be thoughtfully booked/rented to offer fun events, interesting shows, educational talks, private party/meeting space and much more.
  - Generates revenue to cover operating expenses.
  - Year 1: \$7K, Year 2: \$15K, Year 3-5: \$17K
- Event rentals managed by part-time coordinator (staff) and programming planned to match interests of F&G neighbors.
- Types of event rentals:
  - Music and performing arts shows (events and shows for all interests/ages that are carefully planned by coordinator, not just rock & roll concerts)
  - Private parties and closed events (F&G residents will be given priority)
  - Longer special events (retreats, long meetings, summer camps, etc.)
  - Weddings and receptions (affordable and intimate space in demand)
  - Community events (affordable meeting space for local groups)
  - F&G groups/meetings (Wooly Bears, Garden Club, FGNO, etc.)

### **Donations & Grants**

- The community center will also be supported financially through fundraising events (ticketed dinners, silent auctions, etc.), private donations (recurring and one-time gifts by supporters) and grants (special funding for programs that benefit the community).
  - Year 1: \$3K, Year 2: \$10K, Year 3-5: \$15K
- Includes Thomas and Lindsey Boyd's gift of \$50,000 for building improvements and initial operations, plus \$100,000 endowment for ongoing building maintenance.

**OPERATING EXPENSES**

**Labor**

- Day to day management of the neighborhood center will be carried out by two part-time staff persons: a Coordinator and a building Caretaker.
  - The Coordinator will manage duties such as promoting use of the Center, scheduling events, managing volunteers, communicating with the neighborhood, and assuring adequate funding. (\$15K-20K/year)
  - The Caretaker oversees building maintenance and security. (\$3K-6K/year)

**Building Overhead**

- Utilities - \$6,000 annually for KUB bills.
  - Starting in Year 2, a portion of the utilities (perhaps one-third) will be allocated and paid by the upstairs office tenants.
- Insurance - \$2,400 annually for property and liability coverage.
- Maintenance - \$2,000 annually in Year 1 and \$3,500 annually in Years 2-5 for routine building repairs and maintenance.
  - As needed, paid by withdrawals from Boyd \$100,000 endowment
- Improvements – approx. \$30,000 (Year 1 only) to make several significant building enhancements (Ex: central air conditioning) so that the building is more attractive for community events, event rentals and office tenants/rentals.
  - This is entirely offset and paid by the initial Boyd gift of \$50,000 for building improvements and initial operating expenses.

**General Activities**

- Internet and wifi service - \$66 per annually
- Website - publish information about the center, calendar of events, pricing/details for event rentals, etc. - \$200 annually
- Misc. Supplies - items for normal operations (like toilet paper, cleaning supplies, etc. - \$400 annually.
- Fundraising Events - materials, food, promotion for fundraisers - \$500 annually
- Neighborhood Activities - materials, snacks, etc. for community-building programs
  - \$750 in Year 1, \$1,000 in Year 2 and \$1,500 in Years 3-5.

**Message from Thomas Boyd regarding gift and endowment  
08/17/2021**

My wife Lindsey and I would like to give our community center a fighting chance to be a sustainable center of our neighborhood community. Our initial proposal (subject to change if needs vary) is the below.

\$100,000 will go to an endowment with the East Tennessee Foundation. The way this will work is that all gains above the principal investment will be available for the Fourth and Gill association to use towards repairs, maintenance, improvements, and other associated costs with upkeep of the building at 800 N Fourth Ave. A reasonable base line of what can be taken out annually to keep this endowment running indefinitely will be left to the discretion ETF with the understanding that there are sometimes circumstances that might require a more than a reasonable amount to keep the building in serviceable condition.

This endowment will be available to use as long as 800 N Fourth Ave is still owned by the Fourth and Gill Association. Also, we will want to have an agreement that states that 800 N Fourth Ave will stay in association ownership as long as the association exists before granting the funds.

\$50,000 will go to the association to spend as needed to ensure that both the initial operating needs are met for the community center and that any other necessary items that could impede the success of the center are covered.

Side note, if the neighborhood does not want to make any commitments in regards to the potential future sell of the property and is still willing to give a neighborhood run community center a try first we are still committed to giving the \$50,000 for operations.

- Thomas Boyd

**Thomas Boyd's clarification about his request that the building remain in FGNO ownership:**

“As we all discussed there is no mechanism for me to actually prevent the board from selling their property, so basically I am just asking for a letter of intention from the board stating they intend for the building to stay in neighborhood ownership. This would not be a legally binding document, it's basically just a memo for future board members and a public statement. If the board were to be forced into a situation where a sell was the only remedy (or they just decide to) they could easily do so and the endowment would just revert back to me or my heirs control.”

“I think setting a timeline is a little arbitrary since they can do whatever they want anyways, so no I am not open to it, but mostly because it would be a waste of everyone's time to talk that out. They lose zero control and can sell at any time. “

**Further clarification from Thomas Boyd on 10/5/2021:**

*On the question of what happens to his endowment if the FGNO decides to rent the building out as part of the “failsafe” backstop inside the Keep option:*

“The endowment will stay in place to support the building as long as it stays in neighborhood ownership. In my rental plan I shared it should show how the endowment is still in place to help strengthen that or any other proposal that doesn't involve selling.”

“After reviewing the potential growth of the endowment in rental plan I will be adding some language into that structure that will open the fund up for use with operational expenses after cresting \$200k. That way if the neighborhood wants to give it another go 5-10 years in the future they can do so with extra assistance.”

“I would also assume the neighborhood would need me to officially commit to this with some sort of signed pledges for both gifts before people start voting.”  
*(Yes, we requested he send the signed pledge)*

# Fourth & Gill Neighborhood Center

## 5-year Financial Plan

Sept. 23 Final

5-YEAR FINANCIAL SUMMARY	Year 1	Year 2	Year 3	Year 4	Year 5	Contingency
	Start-up					"Covid Year"
<b>Revenue</b>						
Office Rentals	\$ 11,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 13,000
Single-Use Rentals	7,380	15,060	17,460	17,760	17,760	8,640
Donations & Grants	48,500	15,500	15,500	15,500	15,500	5,500
<b>Sub-total</b>	<b>\$ 66,880</b>	<b>\$ 44,560</b>	<b>\$ 46,960</b>	<b>\$ 47,260</b>	<b>\$ 47,260</b>	<b>\$ 27,140</b>
<b>Expenses</b>						
Labor	\$ 19,763	\$ 26,350	\$ 27,550	\$ 27,550	\$ 27,550	\$ 12,930
Building Overhead	40,400	11,900	11,900	11,900	11,900	\$ 10,400
General & Activities	2,650	2,900	3,400	3,400	3,400	2,650
<b>Sub-total</b>	<b>\$ 62,813</b>	<b>\$ 41,150</b>	<b>\$ 42,850</b>	<b>\$ 42,850</b>	<b>\$ 42,850</b>	<b>\$ 25,980</b>
<b>Net Income / (Loss)</b>	<b>\$ 4,068</b>	<b>\$ 3,410</b>	<b>\$ 4,110</b>	<b>\$ 4,410</b>	<b>\$ 4,410</b>	<b>\$ 1,160</b>

# Fourth & Gill Neighborhood Center

## 5-year Financial Plan

Sept. 23 Final

REVENUE BUDGET	Year 1	Year 2	Year 3	Year 4	Year 5	Contingency	Notes:
	Start-up					"Covid Year"	
<b>Office Rentals</b>							
Tenant 1	\$ 3,190	\$ 3,480	\$ 3,480	\$ 3,480	\$ 3,480	\$ 3,190	Avg rent @ \$290/mo
Tenant 2	\$ 2,640	2,880	\$ 2,880	\$ 2,880	\$ 2,880	\$ 2,640	Avg rent @ \$240/mo
Tenant 3	\$ 2,640	2,880	\$ 2,880	\$ 2,880	\$ 2,880	\$ 2,640	Avg rent @ \$240/mo
Tenant 4	\$ 2,530	2,760	\$ 2,760	\$ 2,760	\$ 2,760	\$ 2,530	Avg rent @ \$230/mo
Utilities Allocation	\$ -	2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	One-third of utilities, split among 4 offices
	<b>\$ 11,000</b>	<b>\$ 14,000</b>	<b>\$ 14,000</b>	<b>\$ 14,000</b>	<b>\$ 14,000</b>	<b>\$ 13,000</b>	
<b>Single-use Rentals</b>							
							<i>Note: Single-use rentals worksheet available upon request</i>
Music & Arts Events	\$ 1,800	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ -	Music and performing arts shows
Private Parties	2,400	2,400	2,400	2,400	2,400	3,600	Private parties and closed events
Longer Special Events	2,400	7,200	9,600	9,600	9,600	4,800	Retreats, long meetings, summer camps, weddings, receptions, etc.
Community Events	300	900	900	1,200	1,200	-	Open to the public
Community Meetings	480	960	960	960	960	240	Affordable meeting space for local groups
F&G Groups	-	-	-	-	-	-	Wooly Bears, Garden Club, FGNO Meetings, etc
	<b>\$ 7,380</b>	<b>\$ 15,060</b>	<b>\$ 17,460</b>	<b>\$ 17,760</b>	<b>\$ 17,760</b>	<b>\$ 8,640</b>	
<b>Donations &amp; Grants</b>							
Fundraising Events	\$ 1,500	\$ 5,000	\$ 7,500	\$ 7,500	\$ 7,500	\$ 1,500	Ticketed events (Dinner, drinks) and silent auction items
Grants	1,000	3,000	5,000	\$ 5,000	\$ 5,000	1,000	Grants for community focused programming
Donations	1,000	2,500	3,000	\$ 3,000	\$ 3,000	1,000	Recurring donations from supporters
Boyd Gift	45,000	5,000	-	-	-	-	Gift for building improvements and operating expenses
Boyd Endowment	-	-	-	-	-	2,000	Withdrawals from endowment to offset maint/repairs costs
	<b>\$ 48,500</b>	<b>\$ 15,500</b>	<b>\$ 15,500</b>	<b>\$ 15,500</b>	<b>\$ 15,500</b>	<b>\$ 5,500</b>	
<b>Total Revenue</b>	<b>\$ 66,880</b>	<b>\$ 44,560</b>	<b>\$ 46,960</b>	<b>\$ 47,260</b>	<b>\$ 47,260</b>	<b>\$ 27,140</b>	

# Fourth & Gill Neighborhood Center

## 5-year Financial Plan

Sept. 23 Final

OPERATING EXPENSE BUDGET	Year 1 Start-up	Year 2	Year 3	Year 4	Year 5	Contingency "Covid Year"	Notes:
<b>Labor</b>							
Coordinator (employee)	\$ 15,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 10,000	Duties may include promoting use of the Center, scheduling events, managing volunteers, communicating with the neighborhood, and assuring adequate funding. (managed by FGNO NC committee)
Payroll Tax	1,163	1,550	1,550	1,550	1,550	930	Estimated at 7.75% of wages
Caretaker (contract)	3,600	4,800	6,000	6,000	6,000	2,000	Duties may include building maintenance, cleaning and security
	<b>\$ 19,763</b>	<b>\$ 26,350</b>	<b>\$ 27,550</b>	<b>\$ 27,550</b>	<b>\$ 27,550</b>	<b>\$ 12,930</b>	
<b>Building Overhead</b>							
Utilities	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	Starting Year 2, office tenants pay a portion of utilities
Insurance	2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	2,400	Property/liability insurance
Maintenance	2,000	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	2,000	Ongoing routing building maintenance
Improvements *offset by Boy	30,000	\$ -	\$ -	\$ -	\$ -	-	Improvements to building (Ex: Central heat & air, etc.)
	<b>\$ 40,400</b>	<b>\$ 11,900</b>	<b>\$ 11,900</b>	<b>\$ 11,900</b>	<b>\$ 11,900</b>	<b>\$ 10,400</b>	
<b>General &amp; Activities</b>							
Internet	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	\$ 800	Internet and wifi access
Website	200	\$ 200	\$ 200	\$ 200	\$ 200	200	Website domain & hosting
Misc. Supplies	400	\$ 400	\$ 400	\$ 400	\$ 400	400	Toilet paper, cleaning, etc.
Fundraising Events	500	\$ 500	\$ 500	\$ 500	\$ 500	500	Food, materials, advertising, etc. for fundraising events
Neighborhood Activities	750	\$ 1,000	\$ 1,500	\$ 1,500	\$ 1,500	750	Materials, snacks, etc. for community activities
<b>Sub-total</b>	<b>\$ 2,650</b>	<b>\$ 2,900</b>	<b>\$ 3,400</b>	<b>\$ 3,400</b>	<b>\$ 3,400</b>	<b>\$ 2,650</b>	
<b>Total Expenses</b>	<b>\$ 62,813</b>	<b>\$ 41,150</b>	<b>\$ 42,850</b>	<b>\$ 42,850</b>	<b>\$ 42,850</b>	<b>\$ 25,980</b>	

# F&G Neighborhood Center Rental Plan

ver. 11/2/2021

Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	SQFT	\$ per SQFT	rate of increase
Rent	\$28,990.00	\$29,569.80	\$30,161.19	\$30,764.42	\$31,379.70	\$32,007.30	\$32,647.44	\$33,300.39	\$33,966.40	\$34,645.73			
Upstairs 1	\$3,180.00	\$3,243.60	\$3,308.47	\$3,374.64	\$3,442.13	\$3,510.98	\$3,581.20	\$3,652.82	\$3,725.88	\$3,800.39	250	\$1.06	2%
Upstairs 2	\$2,640.00	\$2,692.80	\$2,746.66	\$2,801.59	\$2,857.62	\$2,914.77	\$2,973.07	\$3,032.53	\$3,093.18	\$3,155.04	250	\$0.88	
Upstairs 3	\$2,640.00	\$2,692.80	\$2,746.66	\$2,801.59	\$2,857.62	\$2,914.77	\$2,973.07	\$3,032.53	\$3,093.18	\$3,155.04	250	\$0.88	
Upstairs 4	\$2,530.00	\$2,580.60	\$2,632.21	\$2,684.85	\$2,738.55	\$2,793.32	\$2,849.19	\$2,906.17	\$2,964.29	\$3,023.58	250	\$0.84	
Downstair Residential	\$18,000.00	\$18,360.00	\$18,727.20	\$19,101.74	\$19,483.78	\$19,873.45	\$20,270.92	\$20,676.34	\$21,089.87	\$21,511.67	1000	\$1.50	
Endowment	\$0.00	\$3,000.00	\$3,000.00	\$3,000.00	\$6,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$6,000.00	Notes		
Total Income	\$28,990.00	\$32,569.80	\$33,161.19	\$33,764.42	\$37,379.70	\$35,007.30	\$35,647.44	\$36,300.39	\$36,966.40	\$40,645.73			
<b>Expenses</b>													
8% Property MGMT fee	\$2,319.20	\$2,365.58	\$2,412.90	\$2,461.15	\$2,510.38	\$2,560.58	\$2,611.80	\$2,664.03	\$2,717.31	\$2,771.66			
3% Insurance	\$1,100.00	\$1,134.10	\$1,169.26	\$1,205.50	\$1,242.87	\$1,281.40	\$1,321.13	\$1,362.08	\$1,404.31	\$1,447.84			
Maintenance	\$0.00	\$3,000.00	\$3,000.00	\$3,000.00	\$6,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$6,000.00	Accounting for a major repair every 5 years.		
Total Expenses	\$3,419.20	\$6,499.68	\$6,582.15	\$6,666.66	\$9,753.25	\$6,841.99	\$6,932.92	\$7,026.11	\$7,121.62	\$10,219.50			
<b>Total Annual Profits</b>	<b>\$25,570.80</b>	<b>\$26,070.11</b>	<b>\$26,579.04</b>	<b>\$27,097.76</b>	<b>\$27,626.45</b>	<b>\$28,165.31</b>	<b>\$28,714.52</b>	<b>\$29,274.28</b>	<b>\$29,844.78</b>	<b>\$30,426.23</b>			

## Endowment Growth Overview

Principal	\$100,000.00	\$106,750.00	\$110,955.63	\$115,445.13	\$120,237.68	\$122,353.72	\$127,612.60	\$133,226.45	\$139,219.23	\$145,616.53
8% Gains	\$8,000.00	\$8,540.00	\$8,876.45	\$9,235.61	\$9,619.01	\$9,788.30	\$10,209.01	\$10,658.12	\$11,137.54	\$11,649.32
1% EFT MGMT FEE	\$1,250.00	\$1,334.38	\$1,386.95	\$1,443.06	\$1,502.97	\$1,529.42	\$1,595.16	\$1,665.33	\$1,740.24	\$1,820.21

## Asset Value Increase

800 N Fourth										
8% Est. annual increase in value	\$325,000	\$351,650	\$380,485	\$411,685	\$445,443	\$481,970	\$521,491	\$564,253	\$610,522	\$660,585
		\$26,650	\$28,835	\$31,200	\$33,758	\$36,526	\$39,522	\$42,762	\$46,269	\$50,063

## Description of plan

This plan is really just so we can see a clear picture of what the option of renting out the community center would look like in combination with my proposed endowment. As you can see if we choose to rent in place of either selling or running our own community center program we could bring in quite a bit of money to the neighborhood.

## Assumptions

A lot of this is counting on the the continuation of current market trends, but I have no reason to believe this will change (at least in the negative) over the next 10 years.

Maintenance budget is pretty conservative, but I think for a rental with much lighter use this is reasonable. It should also be understood that some fairly substantial renovations to the kitchen will need to take place.

The endowment year 1 is assuming this is the plan from the start without any effort put towards using the building as a community center.