

The Fourth & Gill Neighborhood Center

'Sell' Information

Sell Option 1:

Transfer the building to the East Tennessee Foundation

Details:

FGNO would transfer the building to the East Tennessee Foundation who would sell the building and place the net proceeds into a trust fund for the FGNO.

Comments:

Sell at \$325,000; Net \$292,500. Invest at 8% annually with a 1.25% cost. Equals a first year return to the FGNO of \$19,744.

Pros:

No upfront cost.

Provides long-term financial stability to FGNO.

Eliminates property management from the responsibilities of the FGNO.

Provides proven professional management.

Cons:

FGNO would not control sales price.

FGNO would have some restrictions on how the future funds were used.

Sell Option 2:

Sell on the open market

Details:

FGNO would see the property on the open market and take proceeds from that transaction and create a trust fund for the future use of the FGNO.

Comments:

Sell at \$325,000; Net \$292,500. Invest at 8% annually with a 1% cost. Equals a first year return to the FGNO of \$20,745.

Pros:

No upfront cost.

Provides long-term financial stability to FGNO.

Eliminates property management from the responsibilities of the FGNO.

Allows FGNO total control of sale and then creation and management of the new trust.

Cons:

Places all responsibility of selling the property and setting up the trust on FGNO.

Places long-term management of the trust into the hands of the FGNO.

Sell Option 3:

Sell to a Non-profit

Details:

FGNO would sell the property to a newly created non-profit dedicated to creating the envisioned community center at a substantially reduced cost.

Comments:

Sell at \$225,000, net \$202,500. Invest funds at 8% annually with 1% cost. Equals first year return to FGNO of \$14,175.00.

Pros:

No upfront cost.

Provides long-term financial stability to FGNO.

Eliminates property management from the responsibilities of the FGNO.

Allows FGNO total control of sale and then creation and management of the new trust.

Helps new non-profit pursue their goals.

Cons:

Places all responsibility of selling the property and setting up the trust on FGNO.

Places long-term management of the trust into the hands of the FGNO.

Reduced sales price creates a reduced value of the subsequent trust fund.