

## 8<sup>th</sup> Avenue Property Purchase

May 2015 Update

We have currently identified five properties that we would like to purchase.

**All five properties are contiguous with the property that FYA owns on 10<sup>th</sup> Avenue.**

121 8<sup>th</sup> Avenue is on Lot J. It is a grey basement residence, backs up to the Green House

We would offer FNSB appraised value of **\$50,128.00**. Closing costs about \$1,000.00

We have decided to wait on purchasing this property.

133 8<sup>th</sup> Avenue is on lot G. It is a rust house, backs up to the Pink House

We would offer FNBS appraised value of **\$50,650.00**. Closing costs about \$1,000.00

Our offer and counter offer were turned down and the current owner plans to complete.

137 8<sup>th</sup> Avenue is on lot F. It is a green house, backs up to the Door

We would offer FNSB appraised value of **\$59,746.00**. Closing costs about \$1,000.00

We closed on this property on 15 April, 2015.

147 8<sup>th</sup> Avenue is on lot E. It is a vacant lot, backs up to the vacant lot next to the Door

We would offer FNBS appraised value of **\$13,917.00**. Closing costs about \$500.00

We closed on this property on 15 April, 2015

We would tender \$1,000.00 earnest money each for the houses, \$500.00 for the land, for a total of \$3,500.00. If the sales go through, this amount would go toward purchase price. If sales don't go through, earnest money would be refunded.

If offers were accepted, our cash outlay would be **\$174,441**, plus \$3,500.00 in closing costs for a total of **\$177,941.00**.

We have made these offers with no contingencies, the seller simply has to accept, sign and move out, we are not requiring inspections, appraisals, etc.

It is possible that the sellers would counter with a higher number, at that point, we could decide to withdraw and get our earnest money back or proceed at a higher price.

We will also incur additional costs of insurance, property taxes, demolition and tipping fees, safety fencing, etc.

125 & 129 are a yellow, two story duplex that backs up to the white house and green house on 10<sup>th</sup>.

The owner is looking specifically for “fair market value” as a sales price. Determining this value is a bit more complicated and will take some time. It is likely that this amount could be \$200,000.00, or even more. I think it is in our best interest at this time to acquire the other four properties and then approach the owner of 125 & 129.

It is important for the BOD to know that property acquisition is only the first phase of creating our campus. There will be long term planning, design and construction, re-location of utilities, etc. that will take place over time.

Another significant consideration for us is the future use of the green house. We should consider doing a major renovation that would allow us to use the second floor as counseling and administrative offices to grow our income stream. A renovation like this would probably cost about \$100,000.00, and provide needed code and safety upgrades that would allow us to utilize the building into the future.

Marylee has spoken with Ethan about giving us a number for these renovations.