

PURCHASE OF YALE PROPERTY

Assumptions

1. Purchase Price = \$4,900,000
2. Renovate 80,000 sq. ft. @ \$170/sq. ft.
3. 40% funding of renovations from State Grant
4. Lease 10,000 sq. ft. to RVCC @ \$15.00/sq. ft.

80,000 @ \$170 =	\$ 13,600,000
State Grant (40%) =	<u>\$ (5,440,000)</u>
Net Cost for Renovations	\$ 8,160,000
Purchase Cost	<u>\$ 4,900,000</u>
Total Cost	<u><u>\$ 13,060,000</u></u>

Bond \$13,000,000 for 20 years at 5.25%

Average annual debt service = (includes principal & interest)	\$ 1,050,000
Present annual lease cost for Polytech	\$ (500,000)
Lease of Space to RVCC	<u>\$ (150,000)</u>
Additional Annual Cost	<u><u>\$ 400,000</u></u>