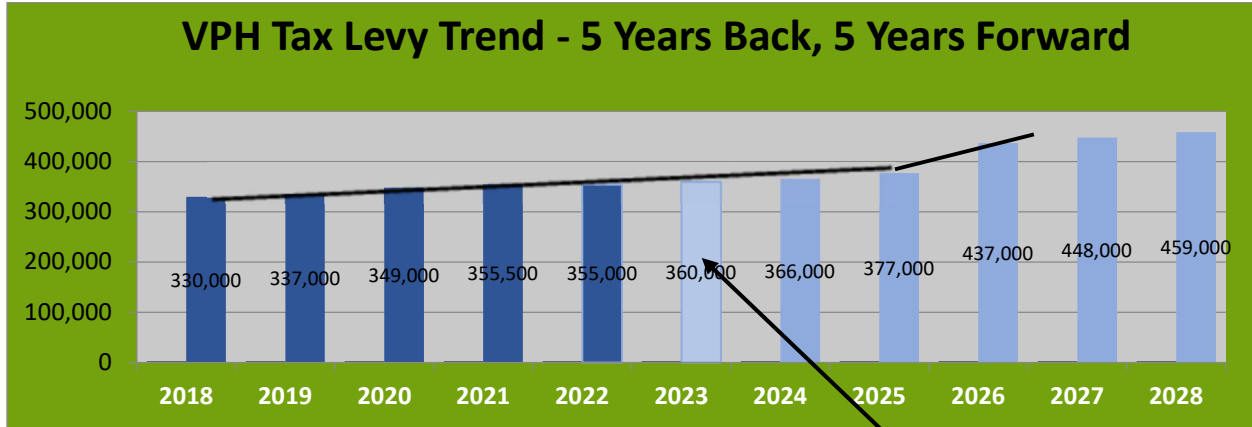




Incorporated Village of Plandome Heights

Preliminary Feasibility Lease vs Buy Various analyses

Village of Plandome Heights
REMINDER
Effect of Projected Occupancy Cost
On Village Budget



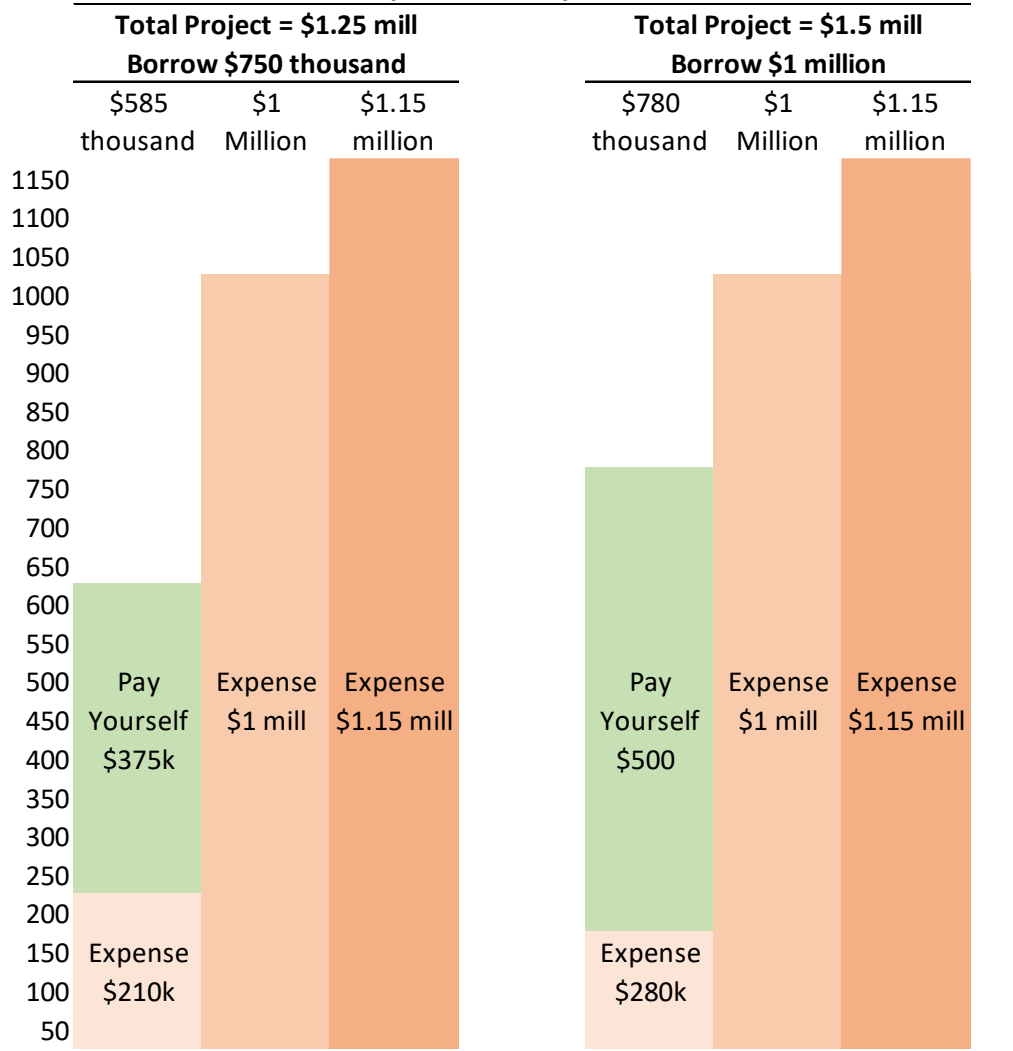
If we don't act, our property taxes will go up significantly in three years due to occupancy costs.

We are here

**Village of Plandome Heights
Village Hall Purchase Scenarios**

	<u>Scenarios</u>			For Reference 975 PR. Alford Opptnty.	<u>Scenarios</u>		
	Low Case	Mid Case	High Case		Low Case	Mid Case	High Case
<u>Assumed project cost & financing</u>							
Project cost, all in	1,000,000	1,250,000	1,500,000	1,500,000	1,000,000	1,250,000	1,500,000
Down payment	500,000	500,000	500,000	300,000	500,000	500,000	500,000
Financing	500,000	750,000	1,000,000	1,200,000	500,000	750,000	1,000,000
<u>Debt service assumptions:</u>							
- Years to borrow	30	30	30	30	15	15	15
- Interest rate	3.25%	3.25%	3.25%	1.95%	2.80%	2.80%	2.80%
- Projected annual debt service	26,000	39,000	52,000	54,000	41,000	61,000	82,000
- Total debt service for 15 years	390,000	585,000	780,000		615,000	915,000	1,230,000
- Sensitivity per 0.25%	816	1,236	1,656		720	1,080	1,440
<u>Est. Lease costs - 15 years</u>							
- Landlord proposal on existing	1,000,000	1,000,000	1,000,000		1,000,000	1,000,000	1,000,000
- Market rate on more space	1,150,000	1,150,000	1,150,000		1,150,000	1,150,000	1,150,000
Difference from LL proposal	610,000	415,000	220,000		385,000	85,000	-230,000

15 Year Payments on 30 year bond vs lease



Buy saves \$400 - \$585k over 15 yrs

Buy saves \$220 - \$400k over 15 yrs

Lease analysis

Year	Landlord Proposal	Market Rate for
	700 sf (a)	1,500 sf (b)
Total	1,000,000	1,110,000
1	45,600	60,000
2	48,000	62,000
3	50,400	64,000
4	53,000	66,000
5	56,000	68,000
6	59,000	70,000
7	62,000	72,000
8	65,000	74,000
9	68,000	76,000
10	72,000	78,000
11	76,000	80,000
12	80,000	82,000
13	84,000	84,000
14	88,000	86,000
15	93,000	88,000

(a) Uses 5.2% escalation (rate in first 3 years projected to the whole period)

(b) Uses 2.5% escalation.

Village of Plandome Heights
Lease analysis

Year	<u>Borrow \$750k; \$1.25 Mill project</u>			<u>Borrow \$1 mill; \$1.5 mill project</u>		
	Landlord Proposal 700 sf (a)	Est. Debt service on \$750k bond	(More)/Less to own	Market Rate for 1,500 sf (b)	Est. Debt service on \$1 mill bond	(More)/Less to own
Total	1,000,000	585,000	415,000	1,110,000	780,000	330,000
1	45,600	39,000	6,600	60,000	52,000	8,000
2	48,000	39,000	9,000	62,000	52,000	10,000
3	50,400	39,000	11,400	64,000	52,000	12,000
4	53,000	39,000	14,000	66,000	52,000	14,000
5	56,000	39,000	17,000	68,000	52,000	16,000
6	59,000	39,000	20,000	70,000	52,000	18,000
7	62,000	39,000	23,000	72,000	52,000	20,000
8	65,000	39,000	26,000	74,000	52,000	22,000
9	68,000	39,000	29,000	76,000	52,000	24,000
10	72,000	39,000	33,000	78,000	52,000	26,000
11	76,000	39,000	37,000	80,000	52,000	28,000
12	80,000	39,000	41,000	82,000	52,000	30,000
13	84,000	39,000	45,000	84,000	52,000	32,000
14	88,000	39,000	49,000	86,000	52,000	34,000
15	93,000	39,000	54,000	88,000	52,000	36,000

(a) Uses 5.2% escalations (rate in first 3 years projected to the whole period)

(b) Uses 2% escalations.