

GWP Developers, LLC

Depot Hill Program Study and Market Analysis

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Case Studies, Staffing, Plans, and Costs

Case Study Summary

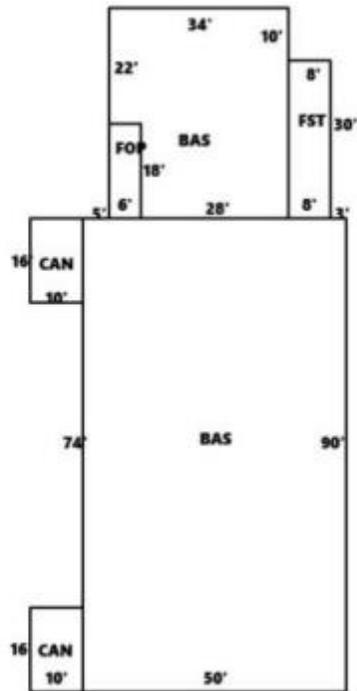
Below is a summary of 5 event spaces in the region. While the proposal outlined the delivery of three case studies, a more broad representation was needed to give a full picture of the opportunity and costs associated with such a space. It is important to point out that while all these facilities operate with negative cash flow, this fact does not necessarily mean that Louisburg will as well. Through evaluating each event space, we found several similarities in management that, if changed, could allow the facilities to operate closer to profitability. Below are a few suggestions:

1. **Pricing:** We found that across the board, the facilities are rented at a drastic discount to similar spaces in the private sector. This discount is usually 2-5 times less than market rates. In most cases, we found that the communities could double rental rates and still provide a venue that is considerably less than market, affordable, and accessible. For Depot Hill, \$2,500-\$3,000 would be a reasonable weekend fee (per day), and \$1,200-\$1,500 would be the range for a weekday rental. We would not recommend allowing hourly rentals on the weekends, but weekday hourly rates may be useful to bring in extra revenue from meetings for smaller groups. An hourly rate of \$200-\$250/hour for weekdays would be reasonable.
2. **Booking:** In all cases, venue booking was handled by a staff member that has many other roles and duties. Due to this, response times and the booking process suffers. We would recommend hiring a management company that works on a per-booking basis.

3. **Marketing:** There is little to no marketing done at the majority of the facilities below. In most cases, there is merely a section on the county or town website that mentions the facility and a number or email to contact for rental. The facilities otherwise largely depend on word of mouth for bookings. We would recommend hiring the same above-mentioned event management company to market the facility. These companies will have a network of wedding planners, event coordinators, conference coordinators, etc., that will help keep the facility full. Once the facility is operating with professional management, the town can decide to undertake additional marketing if necessary.

4. **Cleaning and Staffing:** Often, the cleaning of the event spaces are left to town or county employees and maintenance staff. If there is capacity within the current staff, it may make sense to utilize them. It is important to make sure the cleaning policy is strictly adhered to. Users must be required to put down a deposit of no less than the cost to deep clean the facility. If the space is not cleaned to the specifications in the contract, a portion of the deposit is paid to a 3rd party cleaning company to bring the space back to the correct specifications.

Selma Civic Center



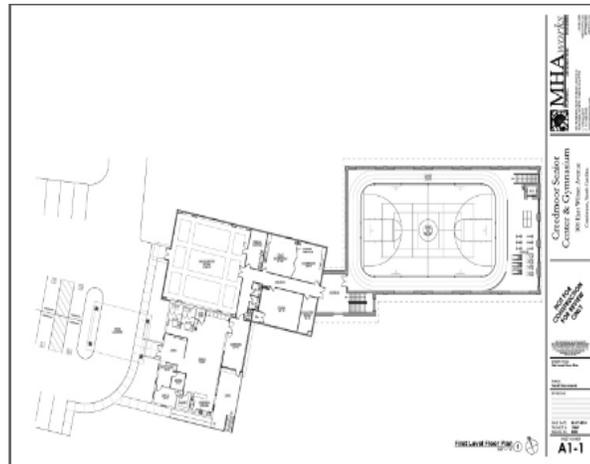
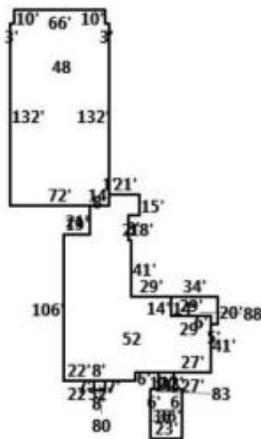
Selma Civic Center

Selma is a town in Johnson County with a population of roughly 6,000. This town offers a leasable civic center facility consisting of a 6,528 square-foot gymnasium, originally built in 1939 and later remodeled in 2018-19. The Civic Centers' total leasable space is 5,968 sq ft. Legacy Hall is the large 4,728 sq ft room able to accommodate 290 standing individuals or 250 seated. The Oak Room meeting area is a 550 sq ft space ideal for small gatherings. The facility has a 150 sq ft restroom area and a 200 sq ft catering kitchen with no cooking on site. Legacy Hall includes the following features: a sound system, projector/projection screen, Wi-Fi, tables/chairs, and a 320 sq ft stage.

Legacy Hall can be rented for \$125 an hour or \$1,000 for 12 hours. The Oak Room fees are \$50 an hour or \$400 for 12 hours. A security deposit of \$250 is required for both rooms. The catering kitchen is an additional \$15 fee. Over the last year, the facility has been rented 83 times. The facility's annual budget is \$32,000. The annual operating expenditures are \$33,661.96, while the revenue is \$29,177.50, thus coming to a net loss of \$4,484.46. This particular facility is operated at a deficit. The gross income per usable sq ft is \$4.89, while the cost to operate each sq ft is \$5.64. The sq ft variance is (\$0.75).

One of the past issues with the facility has been understaffing; the lack of adequate staff has led to a delayed clean-up turnaround time. Another issue has been with undercharging rent fees and security deposits. In some instances, the facility has incurred damages exceeding the \$250 deposit, consequently leaving the Town of Selma to cover the repair bill. The Town of Selma has since implemented an increased fee schedule to hedge the risk of possible future damages.

Creedmoor Community Center



Creedmoor Community Center

Creedmoor is a city in Granville County, NC, with a population of roughly 4,500 persons. The city owns a 20,494 square foot community center facility, which is a renovated historic building with a modern addition. The original 8,808 sq ft building was built in 1909 as a high

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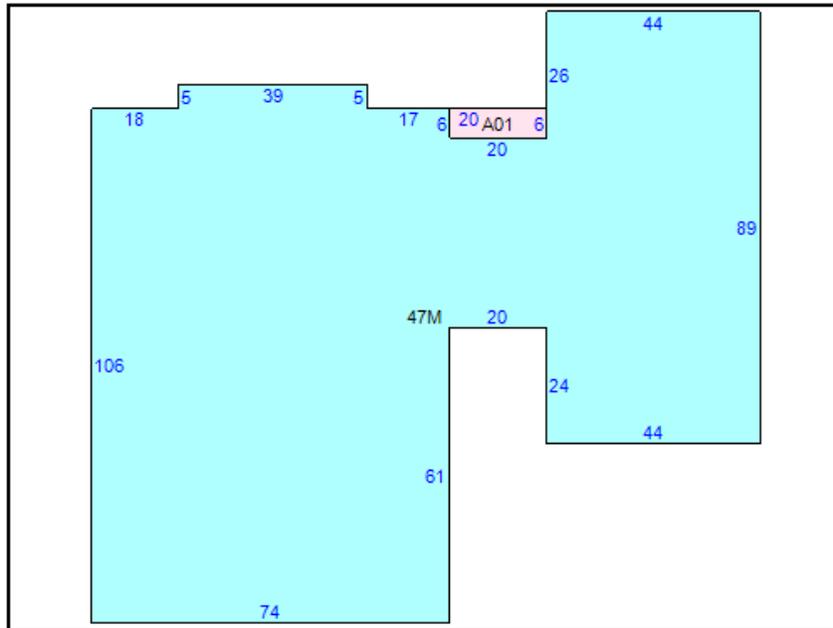
school gymnasium and has been repurposed into a rentable venue with 3,680 sq ft of venue space. While renovating the old structure, a new addition was built to accommodate the city's community events and programs.

The facility includes a leasable 2,500 square foot ballroom-style event room known as the Willow Oak Room. There is also a 180 sq ft kitchen, a 200 sq ft bathroom, and an 800 sq ft meeting room. The leasable event space offers the following amenities: TVs, tables/chairs, ambiance lighting, and a sound system.

The venue fees are contingent on whether the lessee is a resident or non-resident. The Willow Oak Event Room fee for a full day is \$270 for residents and \$350 for non-residents. The application fee is \$50, along with a cleaning/damage deposit of \$250. The large meeting room, which can accommodate 40 people, costs \$80 for residents and \$105 for non-residents. There is an application fee of \$15 and a deposit of \$50. In the past year, the facility had 82 paid rentals, with an average price per rental of \$289.75. The revenues are \$24,499, and the operating expenditures are \$30,428.20. The revenue yielded per sq ft is \$6.65 and the cost to operate is \$8.27 per sq ft. The sq ft variance is (\$1.62).

The fiscal year 2022 was the facility's first complete year of operations, so the only available projected budget will be for the next year. One of the issues with the facility pertains to the lack of adequate insulation under the building or on the roof, thus causing humidity issues during summer and strain on the existing HVAC system.

Salisbury Civic Center



Salisbury Civic Center

The City of Salisbury is the county seat of Rowan County, North Carolina. Salisbury has a growing population of roughly 36,000 citizens. From 1990 to 2022, the population of Salisbury increased by 55%. The city owns and operates a 12,735 sq ft Civic Center offering a variety of amenities, including a multiroom leasable venue for events. Within the building, there is a small meeting room, along with a larger multipurpose room.

The building's total leasable area is 5,878 sq ft. The multipurpose room is ideal for large events, as the 4,320 square foot space can accommodate 288 people with tables and chairs. The small meeting room is 720 square feet and is suited for fifty individuals or less. Included in the rental is wi-fi, a 210 sq ft kitchen, as well as a 408 sq ft stage and 220 square feet bathroom facility.

Rental fees for weekends are \$800 for an eight-hour slot. On weekdays the price is \$250 for a four-hour slot. In addition to the rent is a \$200-\$300 security deposit. Facility rental frequency ranges between 60 and 90 paid events per year. In the previous year, the Civic Center was leased to 76 confirmed events. Total expenses for operating this facility total \$132,174; annual revenue totaled \$59,000. Salisbury Civic Center operated at a deficit of \$73,174. The revenue per sq ft is \$10.04, while the operating cost is \$22.49 per sq ft. The square foot variance amounts to \$12.45.

Warren County Armory Civic Center



Warren County Armory Civic Center

The Warren County Armory Civic Center is in the town of Warrenton, located in Warren County, NC. The county population is roughly 20,000, whereas Warrenton's population is just over 1,000. The former armory building was renovated in 2009 and opened for use in 2010. The Armory Civic Center provides a variety of uses to the community, one of which is an event venue rented to the public.

The total leasable space amounts to 7,408 sq ft. The facility offers a 308-square-foot small meeting room with a standing capacity of 44 persons. There is also a larger 5,300 square-foot room accommodating 750 standing persons. Rental of the venue includes a 600 sq ft bathroom facility, access to tables and chairs, as well as a 1,200 sq ft catering kitchen equipped with an ice machine, bar area, and food warming cabinet.

The small meeting room rental fee is \$150 and the cleaning/damage fee is \$50. The large event room rental fee is \$600 and the cleaning/damage fee is \$300. Both rooms can be rented simultaneously for a rental fee of \$750, with a cleaning/damage fee of \$300.

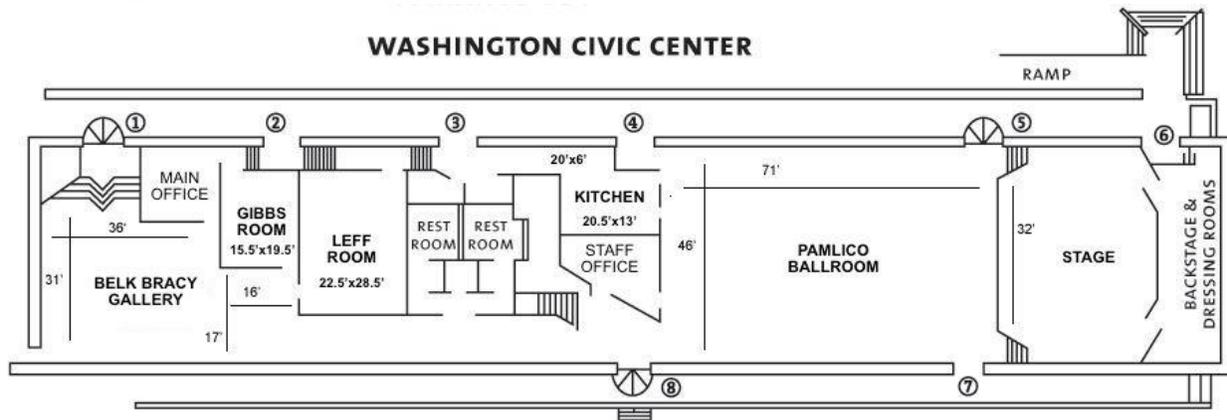
In the previous year, the facility was rented for 29 paid events. The annual revenue is \$15,150, whereas the operating expenditures are \$71,300.50. The budget for the said year was \$81,250. While the facilities' budget variance was \$9,949.50, there is a net loss of \$56,150. The venue space is run at a deficit. The revenue yielded per sq ft is \$2.05, while the cost to operate the space is \$9.62 per sq ft. The sq ft variance is (\$7.57).

Some of the facilities noted successes are having consistent rentals and minimum damages to the building. 98% of tenants follow the rules and leave the facility in superb condition. However, the rules and regulations have been amended for the occasional mishap. Infrastructure damage has occurred in the past, like a sink being ripped from the wall. Lessees

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have put decals on floors and walls using tacks and nails. Another issue has been alcohol events hosted for individuals under age 21.

Washington Civic Center



Washington Civic Center

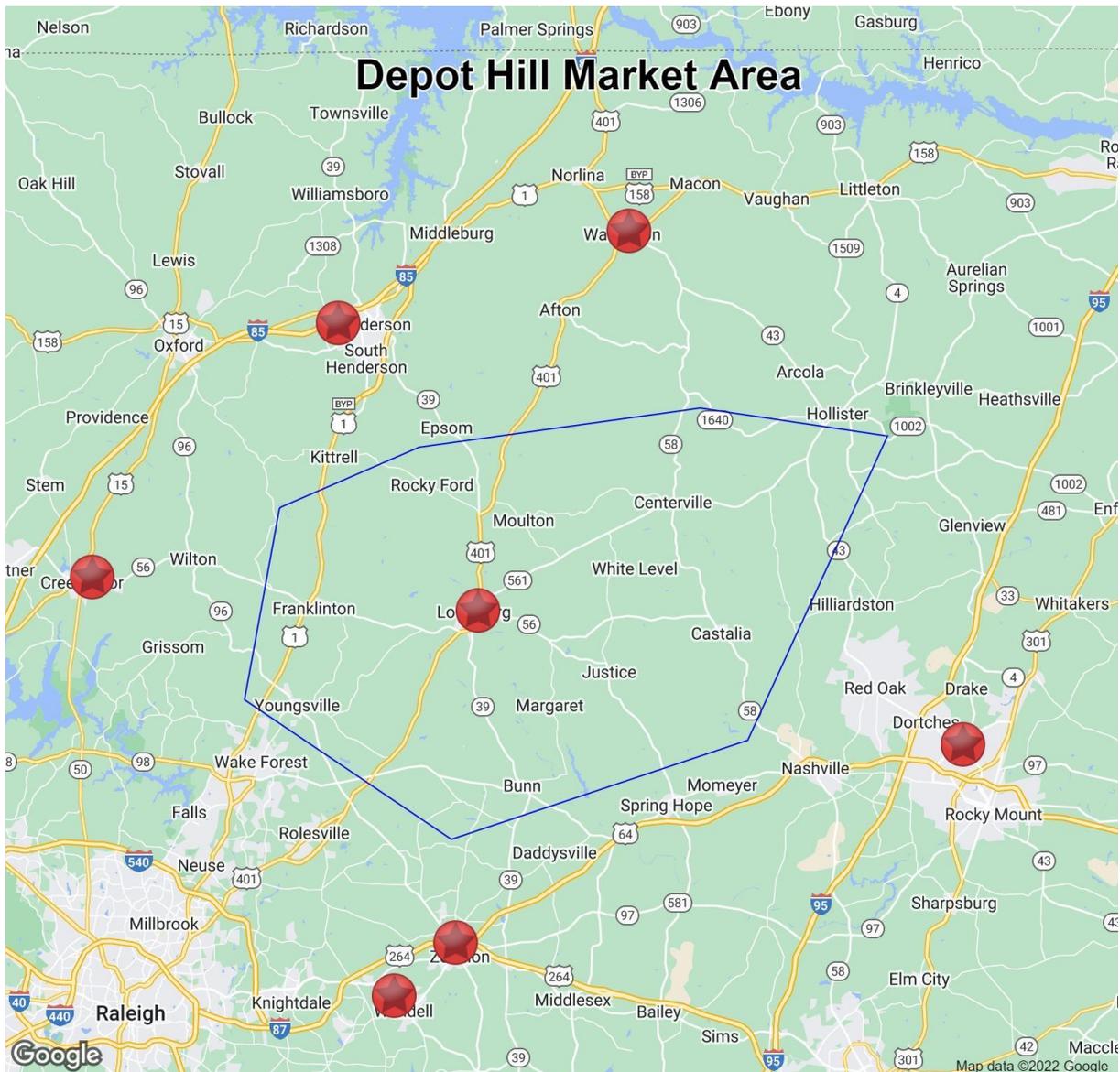
Washington, NC, is a city located in Beaufort County, with a population of roughly 9,500. Within the city's Historic Downtown lies the former Atlantic Coast Line Railroad Depot, which has been renovated as a 14,000 square feet Civic Center. The leasable event space totals 6,061 square feet. The building boasts all the nostalgic characteristics and is the ideal location for meetings and large events.

The Pamlico Room is a 3,266 square feet ballroom able to host up to 300 guests. There is a medium-sized event room called the Belk Bracey Gallery, which has 1,116 sq ft. The Gibbs Room and The Leff Room are two smaller rooms in the facility. The Gibbs Room is 300 sq ft, and The Leff Room is 641 sq ft. Generally, the amenities included are as follows: tables/chairs, A/V equipment, a 349 sq ft restroom facility, and a 389 sq ft kitchen.

The rental fees are based on the style of the event being hosted. The pricing guide is as follows: expos and meetings start at \$200, weddings start at \$2,200, fundraisers start at \$1,400, and baby showers at \$460. In the previous year, the proposed budget was approved for \$132,889, and actual expenses totaled \$75,766. Although the budget variance is favorable at \$57,123, the annual revenues only amount to \$6,000. The cost to operate the facility is \$12.50 per sq ft, while the revenue generated per sq ft is \$0.98. The square foot variance is (\$11.52).

Event Center Trade Area

The Depot Hill trade area consists of approximately 64,000 people with a median household income of \$61,000 in 2022 and is projected to grow to 69,000 people with a median household income of \$74,000 in 2027. We believe the estimate of population growth will be considerably outpaced by the actual growth realized in the next five years.



Depot Hill Market Area Demand

The Depot Hill market area includes the geographical area within 40 miles in which a public event space operates. When looking at Louisburg on a map, there is a 15-mile radius around the town where no publicly owned rental space presently operates. Depot Hill's closest direct competitors lie outside the 15-mile parameter of the proposed event center.

To the north is a facility located in Warrenton, which has between 15 and 40 rentals annually, with March through August having the highest volume. The trend slopes off beginning in September until February, later resuming in spring. In the previous year, the Armory held 29 confirmed events. The facility administration notes the future week-to-week schedule of bookings is consistent; every Saturday and Sunday in the upcoming year has rentals scheduled with the exception of two weekends.

Vance-Granville Community College operates a leasable civic center located in Henderson. This facility had 27 rentals over the previous fiscal year. Vance-Granvilles' schedule of future events shows 53 bookings for the upcoming year. While Vance-Granvilles facility does exhibit month-to-month rental consistency, the highest volume of rentals occurs during spring and summer. August of last year had three paid events, whereas next August has six scheduled.

To the west of Depot Hill is a relatively new venue in Creedmoor. This facility is occupied the majority of weekends and seldom during weekdays. Saturday is the most desirable rental day, as 50/53 Saturdays in the year are booked. Sundays are the second most frequently rented days, with 20/52 rentals in a year. Of the 260 weekdays in a year, only 26 of those remain booked. In the past year, the Creedmoor facility had 82 paid rental events.

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Roanoke Rapids has an event center 40+ miles northeast of Depot Hill. The facility held 93 paid events in the previous fiscal year. The previous year's demand for rentals dropped off in winter and resumed around spring. Looking at the future rental dates, one can note an increase in demand. Looking forward, the 2022 months of October through December have 44 scheduled rentals, whereas 2021 October through December only had 22 events. Scheduling for the end of 2022 shows a significant increase in rental demand compared to the previous year.

Southeast of Depot Hill is the Herbert C Young facility in Cary. The venue space is on the edge of the Depot Hill market area radius, yet being in the Raleigh area, the population is significantly higher. The community center in Cary had 365 paid rentals in the previous fiscal year. The current fiscal year has seen 326 rentals already. Considering we are only three months into Cary's present fiscal year, the difference in numbers suggests a significant increase in demand. If this trend continues, the total rental number could double for this year. Also located in the Raleigh area is the Cary Senior Center, which provides a leasable space for large events. In the last year, the Senior Center had 52 paid rental events. During the current year, the space has been rented 30 times.

Twenty miles south of Depot Hill is a rental facility in Zebulon. In the previous fiscal year this venue space was leased 99 times. Future scheduling for the facility is done six months at a time. Presently there are 27 rentals booked for the next six months.

Roughly 25 miles south of Depot Hill is a community center in the Town of Wendell. The community center offers rentable venue space for large events. Over the course of a year, the facility was rented 24 times. Weekdays are rarely booked, and demand typically occurs during weekends. A note to make is during the previous year; the facility did not allow events to serve

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alcohol. The no-alcohol policy completely diminished demand for the facility, leaving the event space with a completely open schedule.

Further south of Louisburg is a rental facility in Selma. The majority of bookings take place during weekends. Demand for the Civic Center is consistent week to week until sloping off in winter months. The Civic Center had 83 paid rentals during the previous year. The majority of the rentals took place during summer and early fall. Although the facility had bookings each month, demand declined in November and remained low until the following summer. Future scheduling indicates a 30% increase in annual demand when compared to the previous year. In September 2021, the facility had six rentals, while in September 2022 had 14 rentals, suggesting an increase in demand for the facility. One could argue the Selma Civic Centers' future demand curve is upward-sloping.

Takeaway:

A rental facility's level of demand has a tendency to vary seasonally and to peak during warm months. Weekend bookings make up the majority of demand. Rentals from Monday through Thursday are typically uncommon. Consumers seem to favor weekend bookings as opposed to weekdays. Overall demand for leasable event spaces in the Depot Hill market area can be described as moderate and discontinuous. Spring and summer months experience the highest volume of rentals. An exponential decrease in fall and winter rentals can lead one to view event spaces as being a seasonal demand. Future scheduling does show an increasing demand for rental facilities. Moreover, numerous facility administrators acknowledge an increase in interest, indicating an upward trending curve for future demand for rental spaces.

Possibilities:

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The rate of rental appointments spikes during weekends yet become scarce during weekdays. One method to increase weekday traction is to differentiate between the two prices. The option of a lower weekday rate could motivate consumers to move their weekend event to a Monday through Thursday night. Another tool is to offer nonprofit rate options along with the standard for-profit fee. Emphasizing a lower nonprofit rate establishes relationships in the community and could make an event center an anchor for organizational meetings. The town could also offer repeat clientele a discount simply for returning.

A good fee schedule should incentivize clients on numerous levels and reward those who bring repeat business. In one instance, a facility implemented a different fee tier for residents vs. non-residents. An additional stream of revenue could be derived from sponsorships advertising local businesses. Similar to ad signs at a baseball stadium, event centers could display local business information along the wall or on digital screens. Not only can ads provide new working capital, but it provides exposure to the facility and builds relationships with community leaders.

Business Ecosystem and Void Analysis

Louisburg has a business ecosystem made up of mostly retail, healthcare, and professional services. Within the town are numerous restaurants, including fast food and sit-down eateries. A few of the restaurants focus on healthy food options, and some local vendors focus strictly on catering. The category of craft beer, wine, and spirits makes up a small portion of business in the town. Grocery stores and big box stores make up a significant market share. There are numerous retail shops, along with specialty stores and services.

The area's service sector is large, with various professional services in finance, banking, accounting, legal, and insurance. Moreover, the healthcare and deathcare industries maintain a presence in the town's service economy. A comprehensive outline of current entities in the area sheds light on businesses the town is lacking.

Louisburg is missing various types of businesses, which hypothetically could add value to the community. Louisburg does not have an outdoor store or a bicycle shop within the town vicinity to accommodate the use of the Tar River, bike path, and skateboard park. With proper planning, a general outdoor store or sporting goods shop could accommodate all recreational needs and prevent consumers from taking their money to nearby cities. Other businesses not in the area include as follows: pet store, pet grooming, arts & crafts, book store, and ice cream parlor. The town does not have a full-scale bakery, although some local businesses do offer a partial selection of baked goods. Beyond the commercial environment, the area's residential sector is in dire need, given the lack of available housing. A list of businesses currently operating in Louisburg is listed below.

Restaurants:

Blue Collie Coffee

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Packhouse Coffee Company
The Coffee Hound bookstore (Closed?)
The Daily Blend (health food restaurant)
Louisburg Nutrition (Health food)
Lit Nutrition (Health)
Sunrise Biscuit Kitchen
Granny's Drive-in
LAMAMA Pizza & Subs
Golden China
Orient Garden Restaurant (Chinese)
Asian Garden (Chinese)
Remington Grill and BBQ
Cook Shack Catering Company (catering)
Strickland Farms Catering (catering)
Tica Maries (catering)
Britt's Sweet Treats (catering; dessert)
Johnnys BBQ (restaurant & catering)
Subway (dine-in & catering)
Indulge Catering, LLC (catering: *Franklinton*)
EL PERICO Mexican Restaurant
Fiesta Mexicana
Kegs Wings and Things
Los Dos Titos
Johnny Bull's Steakhouse (former ribeyes)
Peyton's Place Open Pit BBQ and Fried
Village Dairy Bar & Grill
Waffle House
Mayflower Seafood
Fuji Express
The Jamaican Patty Shack
Bojangles Famous Chicken 'N Biscuits
Dairy Queen
Mcdonalds
Hardees
Burger king
Wendys
Papa johns
Kfc
Dominos pizza
Pizza Hut
Zaxbys

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Craft Beer, Wine, & Spirits:

Three Lions Pub
Tar Banks Brewing Company
Tonic Bar and Social Club of Louisburg
Tar River Distillery
Louisburg ABC Store

Retail:

Walmart
Factory Connection
Goodwill
Family dollar
Dollar tree
Tractor supply
Ace Hardware
CVS
Farmers Home Furniture
Cato Fashions
Walgreens
Safe Space Inc (thrift)
The Treasure Shoppe (thrift)
Darling Diva Treasure (vintage)
Raefords Antiques (vintage)
Town & County Supply
Debs Jewelry Store
Louisburg Mercantile
Blonde Buttercup Boutique

Specialty Retail/Services:

Louisburg Veterinary Clinic
Party Balloons
Flowers By Henry LLC
2 Girls and a Shindig (party planning)
Spin City Internet Cafe
Violin Shop - Fiddle Maker Mike
Farmers Market (Bickett Street)
Esthetics With Allison
Lewter Tattoos
One Man's Treasure (weekend auctions)

Grocery:

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Food lion
Walmart
Charlie C's IGA
El Super 2
Moss Foods Inc
Cal Main Foods Inc
Royal Foodmart
La Regionals Tiends Hispana
La Esquina Latina
Ingleside Grocery
Kearney Grocery
Justice Grocery

Financial or Professional Services:

AgCarolina Farm Credit
Vision Behavioral Health Services LLC
Carrie Gilliam Photography, LLC
Carter Bank and Trust
Cooper Insurance Agency, Inc.
First Citizens Bank - Louisburg
Franklin County Farm Bureau
Gena Walling McCray, PLLC
Hodges Insurance Agency
Jolly, Williamson & Williamson, Attorneys at Law - Pier Williamson
Mutual Interactive Xchange, LLC
Chuck Odom, CPA & Jean Odom, CPA
Proline Bookkeeping
May & Place, PA
Express Tax Returns
William Shelton Associates
DB Tax Solutions, LLC
Divine Tax Services
GPW Services Inc
Richards Oil Company
Triangle Insurance & Associates
Brewer Insurance Group, Inc
Wealth Preservation Strategies
Payroll Solutions, LLC
State Employees Credit Union
Tickle Law Office, PLLC
Touchstone Bank
Triangle Risk Advisors, Inc.
Truist Bank

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Union Bank - Louisburg
Raymond James Financial Services

Funeral Homes:

Lancaster Funeral & Cremation Services
Strickland Funeral Home
Richardson Funeral Home
Alston & Anderson Funeral Services

Healthcare:

Advance Community Health
Impact Healthcare - Primary Medical Urgent Care Family Practice Doctor Physician
Relief Integrated Healthcare
Genesis Health Care Corp
Maxim Healthcare Services
Duke Primary Care
Southern Health Partners
Maria Parham Multispecialty Clinic
Helping Hands (home health)
Pacific Staffing (home health)
Premier Women's Health Pro PA
Vision Behavioral Health Services
NC Heart & Vascular

Construction Costs Estimate

To determine the project scope of Depot Hill, we have outlined the key costs in an estimate recap. The figures represent the capital needed to turn Depot Hill into a functional facility, specifically a mixed-use or retail facility. Projected costs associated with renovating the existing shell are derived from current market rates.

The projected cost for an event space and kitchen is approximately \$2,395,000, with a tolerance of 10%. The projected cost for a restaurant and residential space is \$2,240,000, with a tolerance of 10%.

- *Sitework will cost \$345,000 for each proposed plan.*
- *For each possible use, concrete costs will be the same at \$220,000, while masonry work will cost \$65,000.*
- *The cost to do metal-related work will be \$180,000 for each space.*
- *Roofing costs will be the same at \$30,000.*
- *Doors and window costs will vary depending on intended use, with the event spaces costing \$180,000, while restaurant and residential will be \$125,000.*
- *For each possible plan, the cost of equipment is \$40,000, and the cost of rentals is \$55,000.*
- *Installing the building's electrical will cost \$310,000 for both scenarios.*
- *The plumbing expense will total \$120,000 for the event space, whereas it will be \$80,000 for the restaurant and residential space.*
- *Carpentry costs in an event facility will total \$140,000 and \$175,000 in a residential and restaurant space.*

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- *Finishes for the event space will cost \$300,000, while the restaurant and residential option will be \$265,000.*
- *The overall costs for supervision of either project will total \$200,000.*
- *Mechanical costs are estimated to be \$210,000 for the event space and \$150,000 for a restaurant and residential space.*

The total budget for completing Depot Hill as an event space is \$2,395,000. The total budget for a restaurant and residential space is \$2,240,000. A plus or minus 10% tolerance is acknowledged in the projections to account for the potential of unforeseen expenditures, as well as the possibility of finishing under budget.

There are significant variables to consider when taking on a project like Depot Hill. One of the main barriers to entry is Phase 1 and Phase 2 site assessments, which will determine whether redevelopment is a feasible plan. The ideal course of action to maximize the reuse of Depot Hill would be to allow developers to use the property's equity while paying out the town over time. A spreadsheet of specific expenditures to renovate Depot Hill is listed below.

| Depot Hill Estimate: | <i>Event Space & Kitchen</i> | <i>Restaurant & Residential</i> |
|-----------------------------|----------------------------------|-------------------------------------|
| Sitework | \$345,000 | \$345,000 |
| Concrete | \$220,000 | \$220,000 |
| Masonry | \$65,000 | \$65,000 |
| Metals | \$180,000 | \$180,000 |
| Carpentry | \$140,000 | \$175,000 |
| Roofing | \$30,000 | \$30,000 |
| Doors and Windows | \$180,000 | \$125,000 |
| Finishes | \$300,000 | \$265,000 |
| Equipment | \$40,000 | \$40,000 |
| Rental | \$55,000 | \$55,000 |
| Plumbing | \$120,000 | \$80,000 |
| Mechanical | \$210,000 | \$150,000 |
| Electrical | \$310,000 | \$310,000 |
| Supervision | \$200,000 | \$200,000 |
| Total: | \$2,395,000 | \$2,240,000 |

Recommendation

If the decision to move forward was a purely financial one it is clear that the town of Louisburg would be bucking the trend if it had expectations of operating an event center in the black. Of the facilities that we analyzed, none of them currently have positive cash flow. That being said, It is important to note that there are unquantifiable positive variables when considering whether or not to build an event center.

The center will likely increase tourism traffic, hotel bookings, restaurant and bar sales, and shopping and indirectly increase tax revenue. We do believe the center would have an overall positive effect on the town and encourage development and other projects in the vicinity.

If the project were in the hands of a private developer, the highest and best use would be a combination of retail and residential. In the budget, we contemplated a restaurant and eight apartments as a comparison to the event space and kitchen construction costs. With the housing shortage in the region remains a significant issue, we believe making the majority of the project residential would be the most conservative income approach.

Depot Hill Value

In its current state, Depot Hill is worth approximately \$250,000 to \$400,000.

If the town were to sell the facility for a cash price, the value would be more in the range of the \$250,000 figure. The value might be stretched to \$400,000 or more if the town were to enter into a public-private partnership. One scenario would be if the town put the property into a partnership at a value of \$400,000, and the developer was responsible for finishing the construction of the project.

For example, if the remaining construction cost was \$2.4M and the value agreed upon value now was \$400,000, the town would hold an interest in the property of \$400,000 / \$2,800,000 = 14%. This is just one scenario of many possibilities. We are available to explore these possibilities if this is an option the town would like to pursue.

Note: It is our understanding that a Phase 1 on Depot Hill has not been completed, but there has been a study ordered. We recommend that the town finish the Phase 1 and Phase 2 if needed, as the findings could drastically affect the value and decision-making process as the project moves forward.