

Discussion of Comparison

Property Tax Revenue Loss

In conversion of the suite at Gordon Byram to a condominium, this will cause this condo to become exempt from property tax. The number being presented on the spreadsheet has been calculated to only include the impact to Byram residents. There is also a financial impact to the municipalities of the Lenape Valley Regional School District, and also to all the municipalities of the county.

Existing Site

No consideration has been given to the existing site at 10 Mansfield. It is unlikely that the buildings can just be "walked away from." Some demolition or shuttering will have to occur. Alternatively, there could be discussion to repurpose the mortar building as a civic center for use by groups such as scouts or seniors. However, there has not been discussion as to whether or not this need is actual. There will also be reserved sewer gallons at the Mansfield site that will continue to be paid and not used.

Utilities

Utility costs are not being considered as part of this analysis. In the condo scenario, the tenant (township) would be required to pay their proportional share of propane, sewer, water and electric. The reason this was not considered in the analysis is because the township would be paying similar utility costs in either case.

Other Notes

Brokers fees assumed to be 0 (as in the supplied simulation)

All figures are in today's numbers and do not consider inflation or purchasing power of the dollar in the future

Assumes that escalations are compounding.

It is likely that the proportional costs of sewer fees at condo unit will be more than what the municipality currently pays.

Assumptions

Office Square Feet	12,800	sq-ft
Sally Port Square Feet	576	sq-ft
Total Square Footage	13,376	sq-ft
Acquisition Price of Condo Unit	\$ 4,500,000	unit
Legal and Closing Fees	\$ 50,000	costs
Total Condo Acquisition Costs	\$ 4,550,000	total
Total Condo Acquisition Costs, per sq-ft	\$ 340	\$/sq-ft
Condo Bonding Rate	2.50%	per year
Condo Bonding Term	15	years
Condo Bonding Down Payment Percentage	5.00%	percent
Condo Bonding Down Payment Amount	\$ 227,500	payment
Condo Bonding Financed Amount	\$ 4,322,500	financed
Remaining Land Real Estate Tax Expense	\$ 0.80	\$/yr/sq-ft
Remaining Land Real Estate Tax Expense, Escalator	1.38%	%/yr
Insurance Expense	\$ 0.45	\$/yr/sq-ft
Insurance Expense, Escalator	0.00%	%/yr
CAM Expense	\$ 2.55	\$/yr/sq-ft
CAM Expense, Escalator	0.25%	%/yr
CAM Abatement Period	17	years

Mansfield Project Cost	\$ 5,500,000	project
Mansfield Project Bonding Interest Rate	2.50%	per year
Mansfield Project Bonding Term	20	years
Mansfield Project Down Payment Percentage	5.00%	percent
Mansfield Project Down Payment	\$ 275,000	payment
Mansfield Project Financed Amount	\$ 5,225,000	financed
Reserved Capital Improvement Amount (arbitrary)	\$ 20,000	per year
Mansfield Building Refresh Amount (arbitrary)	\$ 500,000	cost
Mansfield Building Refresh Interval	20	years
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Condo Refresh Amount (arbitrary)	\$ 300,000	cost
Condo Refresh Interval	20	years

Year	<u>1</u> <u>2020</u>	<u>2</u> <u>2021</u>	<u>3</u> <u>2022</u>	<u>4</u> <u>2023</u>	<u>5</u> <u>2024</u>	<u>6</u> <u>2025</u>	<u>7</u> <u>2026</u>	<u>8</u> <u>2027</u>	<u>9</u> <u>2028</u>
Condo Scenerio									
Condo Acquisition Down Payment	\$ 227,500								
Condo Acquisition Annual Bond Payment, Principal	\$ 288,167	\$ 288,167	\$ 288,167	\$ 288,167	\$ 288,167	\$ 288,167	\$ 288,167	\$ 288,167	\$ 288,167
Condo Acquisition Annual Bond Payment, Interest	\$ 108,063	\$ 100,858	\$ 93,654	\$ 86,450	\$ 79,246	\$ 72,042	\$ 64,838	\$ 57,633	\$ 50,429
Condo Acquisition Annual Bond Payment Total	\$ 623,729	\$ 389,025	\$ 381,821	\$ 374,617	\$ 367,413	\$ 360,208	\$ 353,004	\$ 345,800	\$ 338,596
Property Tax Revenue Loss (see discussion sheet) (BUILDING DAY 1 - CONDO)	\$ 35,828	\$ 36,322	\$ 36,824	\$ 37,332	\$ 37,847	\$ 38,369	\$ 38,899	\$ 39,436	\$ 39,980
<i>* Tax escalator 1.38% and looks at net valuation (not 100% of actual loss taxes year 1).</i>									
Remaining Land Real Estate Tax	\$ 10,701	\$ 10,848	\$ 10,998	\$ 11,150	\$ 11,304	\$ 11,460	\$ 11,618	\$ 11,778	\$ 11,941
Insurance	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019
CAM Expense	\$ 34,109	\$ 34,194	\$ 34,280	\$ 34,365	\$ 34,451	\$ 34,537	\$ 34,624	\$ 34,710	\$ 34,797
Tax, Insurance, CAM Total (red indicates abatement)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Building Refresh (interior updates, etc.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Annual Outlay, Condo Scenerio	\$ 659,557	\$ 425,347	\$ 418,645	\$ 411,949	\$ 405,260	\$ 398,578	\$ 391,903	\$ 385,236	\$ 378,576
Running Cumulative	\$ 659,557	\$ 1,084,905	\$ 1,503,549	\$ 1,915,498	\$ 2,320,757	\$ 2,719,335	\$ 3,111,238	\$ 3,496,473	\$ 3,875,049
Building Scenerio									
Project Down Payment	\$ 275,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bond Principal Payment	\$ 261,250	\$ 261,250	\$ 261,250	\$ 261,250	\$ 261,250	\$ 261,250	\$ 261,250	\$ 261,250	\$ 261,250
Bond Interest Payment	\$ 130,625	\$ 124,094	\$ 117,563	\$ 111,031	\$ 104,500	\$ 97,969	\$ 91,438	\$ 84,906	\$ 78,375
Bond Payment Sub-Total	\$ 666,875	\$ 385,344	\$ 378,813	\$ 372,281	\$ 365,750	\$ 359,219	\$ 352,688	\$ 346,156	\$ 339,625
Reserved CAM (Snow, Lighting, Parking Repairs, etc.)	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Building Refresh (roof, paving, etc.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Annual Outlay, Mansfield Construction Scenerio	\$ 686,875	\$ 405,344	\$ 398,813	\$ 392,281	\$ 385,750	\$ 379,219	\$ 372,688	\$ 366,156	\$ 359,625
Running Cumulative	\$ 686,875	\$ 1,092,219	\$ 1,491,031	\$ 1,883,313	\$ 2,269,063	\$ 2,648,281	\$ 3,020,969	\$ 3,387,125	\$ 3,746,750
Comparison									
Savings, by year (green/postive means condo is cheaper)	\$ 27,318	\$ (20,004)	\$ (19,832)	\$ (19,667)	\$ (19,510)	\$ (19,359)	\$ (19,215)	\$ (19,079)	\$ (18,951)
Cumulative Savings	\$ 27,318	\$ 7,314	\$ (12,518)	\$ (32,185)	\$ (51,695)	\$ (71,054)	\$ (90,269)	\$ (109,348)	\$ (128,299)

<u>10</u> <u>2029</u>	<u>11</u> <u>2030</u>	<u>12</u> <u>2031</u>	<u>13</u> <u>2032</u>	<u>14</u> <u>2033</u>	<u>15</u> <u>2034</u>	<u>16</u> <u>2035</u>	<u>17</u> <u>2036</u>	<u>18</u> <u>2037</u>	<u>19</u> <u>2038</u>	<u>20</u> <u>2039</u>	<u>21</u> <u>2040</u>	<u>22</u> <u>2041</u>	<u>23</u> <u>2042</u>	<u>24</u> <u>2043</u>
\$ 288,167	\$ 288,167	\$ 288,167	\$ 288,167	\$ 288,167	\$ 288,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 43,225	\$ 36,021	\$ 28,817	\$ 21,613	\$ 14,408	\$ 7,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 331,392	\$ 324,188	\$ 316,983	\$ 309,779	\$ 302,575	\$ 295,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 40,532	\$ 41,091	\$ 41,658	\$ 42,233	\$ 42,816	\$ 43,406	\$ 44,005	\$ 44,613	\$ 45,228	\$ 45,853	\$ 46,485	\$ 47,127	\$ 47,777	\$ 48,437	\$ 49,105
\$ 12,106	\$ 12,273	\$ 12,442	\$ 12,614	\$ 12,788	\$ 12,964	\$ 13,143	\$ 13,325	\$ 13,508	\$ 13,695	\$ 13,884	\$ 14,075	\$ 14,270	\$ 14,467	\$ 14,666
\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019
\$ 34,884	\$ 34,971	\$ 35,059	\$ 35,146	\$ 35,234	\$ 35,322	\$ 35,411	\$ 35,499	\$ 35,588	\$ 35,677	\$ 35,766	\$ 35,855	\$ 35,945	\$ 36,035	\$ 36,125
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,115	\$ 55,391	\$ 55,669	\$ 55,950	\$ 56,234	\$ 56,521	\$ 56,810
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -
\$ 371,923	\$ 365,278	\$ 358,641	\$ 352,012	\$ 345,391	\$ 338,777	\$ 44,005	\$ 44,613	\$ 100,344	\$ 101,243	\$ 102,154	\$ 103,077	\$ 104,011	\$ 104,957	\$ 105,915
\$ 4,246,972	\$ 4,612,251	\$ 4,970,892	\$ 5,322,904	\$ 5,668,294	\$ 6,007,072	\$ 6,051,077	\$ 6,095,690	\$ 6,196,034	\$ 6,297,277	\$ 6,399,432	\$ 6,502,508	\$ 6,606,520	\$ 6,711,477	\$ 6,817,392
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\$ 261,250	\$ 261,250	\$ 261,250	\$ 261,250	\$ 261,250	\$ 261,250	\$ 261,250	\$ 261,250	\$ 261,250	\$ 261,250	\$ 261,250	\$ -	\$ -	\$ -	\$ -
\$ 71,844	\$ 65,313	\$ 58,781	\$ 52,250	\$ 45,719	\$ 39,188	\$ 32,656	\$ 26,125	\$ 19,594	\$ 13,063	\$ 6,531	\$ -	\$ -	\$ -	\$ -
\$ 333,094	\$ 326,563	\$ 320,031	\$ 313,500	\$ 306,969	\$ 300,438	\$ 293,906	\$ 287,375	\$ 280,844	\$ 274,313	\$ 267,781	\$ -	\$ -	\$ -	\$ -
\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
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\$ 353,094	\$ 346,563	\$ 340,031	\$ 333,500	\$ 326,969	\$ 320,438	\$ 313,906	\$ 307,375	\$ 300,844	\$ 294,313	\$ 787,781	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
\$ 4,099,844	\$ 4,446,406	\$ 4,786,438	\$ 5,119,938	\$ 5,446,906	\$ 5,767,344	\$ 6,081,250	\$ 6,388,625	\$ 6,689,469	\$ 6,983,781	\$ 7,771,563	\$ 7,791,563	\$ 7,811,563	\$ 7,831,563	\$ 7,851,563
\$ (18,829)	\$ (18,716)	\$ (18,610)	\$ (18,512)	\$ (18,422)	\$ (18,340)	\$ 269,901	\$ 262,762	\$ 200,500	\$ 193,069	\$ 685,627	\$ (83,077)	\$ (84,011)	\$ (84,957)	\$ (85,915)
\$ (147,128)	\$ (165,844)	\$ (184,454)	\$ (202,966)	\$ (221,388)	\$ (239,728)	\$ 30,173	\$ 292,935	\$ 493,435	\$ 686,504	\$ 1,372,131	\$ 1,289,054	\$ 1,205,043	\$ 1,120,086	\$ 1,034,170

<u>25</u> <u>2044</u>	<u>26</u> <u>2045</u>	<u>27</u> <u>2046</u>	<u>28</u> <u>2047</u>	<u>29</u> <u>2048</u>	<u>30</u> <u>2049</u>	<u>31</u> <u>2050</u>	<u>32</u> <u>2051</u>	<u>33</u> <u>2052</u>	<u>34</u> <u>2053</u>	<u>35</u> <u>2054</u>	<u>36</u> <u>2055</u>	<u>37</u> <u>2056</u>	<u>38</u> <u>2057</u>	<u>39</u> <u>2058</u>
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\$ 49,783	\$ 50,470	\$ 51,166	\$ 51,872	\$ 52,588	\$ 53,314	\$ 54,049	\$ 54,795	\$ 55,551	\$ 56,318	\$ 57,095	\$ 57,883	\$ 58,682	\$ 59,492	\$ 60,313
\$ 14,869	\$ 15,074	\$ 15,282	\$ 15,493	\$ 15,707	\$ 15,923	\$ 16,143	\$ 16,366	\$ 16,592	\$ 16,821	\$ 17,053	\$ 17,288	\$ 17,527	\$ 17,769	\$ 18,014
\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019
\$ 36,215	\$ 36,306	\$ 36,397	\$ 36,488	\$ 36,579	\$ 36,670	\$ 36,762	\$ 36,854	\$ 36,946	\$ 37,038	\$ 37,131	\$ 37,224	\$ 37,317	\$ 37,410	\$ 37,504
\$ 57,103	\$ 57,399	\$ 57,698	\$ 57,999	\$ 58,305	\$ 58,613	\$ 58,924	\$ 59,239	\$ 59,557	\$ 59,878	\$ 60,203	\$ 60,531	\$ 60,863	\$ 61,198	\$ 61,537
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\$ 106,886	\$ 107,868	\$ 108,864	\$ 109,872	\$ 110,892	\$ 111,926	\$ 112,974	\$ 114,034	\$ 115,108	\$ 116,196	\$ 117,298	\$ 118,414	\$ 119,545	\$ 120,690	\$ 121,849
\$ 6,924,278	\$ 7,032,146	\$ 7,141,010	\$ 7,250,881	\$ 7,361,774	\$ 7,473,700	\$ 7,586,674	\$ 7,700,708	\$ 7,815,816	\$ 7,932,012	\$ 8,049,311	\$ 8,167,725	\$ 8,287,269	\$ 8,407,959	\$ 8,529,808
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\$ 7,871,563	\$ 7,891,563	\$ 7,911,563	\$ 7,931,563	\$ 7,951,563	\$ 7,971,563	\$ 7,991,563	\$ 8,011,563	\$ 8,031,563	\$ 8,051,563	\$ 8,071,563	\$ 8,091,563	\$ 8,111,563	\$ 8,131,563	\$ 8,151,563
\$ (86,886)	\$ (87,868)	\$ (88,864)	\$ (89,872)	\$ (90,892)	\$ (91,926)	\$ (92,974)	\$ (94,034)	\$ (95,108)	\$ (96,196)	\$ (97,298)	\$ (98,414)	\$ (99,545)	\$ (100,690)	\$ (101,849)
\$ 947,285	\$ 859,416	\$ 770,553	\$ 680,681	\$ 589,789	\$ 497,862	\$ 404,889	\$ 310,855	\$ 215,746	\$ 119,550	\$ 22,252	\$ (76,162)	\$ (175,707)	\$ (276,396)	\$ (378,246)

<u>40</u> <u>2059</u>	<u>41</u> <u>2060</u>	<u>42</u> <u>2061</u>	<u>43</u> <u>2062</u>	<u>44</u> <u>2063</u>	<u>45</u> <u>2064</u>	<u>46</u> <u>2065</u>	<u>47</u> <u>2066</u>	<u>48</u> <u>2067</u>	<u>49</u> <u>2068</u>	<u>50</u> <u>2069</u>	
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\$ 61,145	\$ 61,989	\$ 62,844	\$ 63,712	\$ 64,591	\$ 65,482	\$ 66,386	\$ 67,302	\$ 68,231	\$ 69,172	\$ 70,127	\$ 2,555,554
\$ 18,262	\$ 18,514	\$ 18,770	\$ 19,029	\$ 19,291	\$ 19,558	\$ 19,828	\$ 20,101	\$ 20,379	\$ 20,660	\$ 20,945	
\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	\$ 6,019	
\$ 37,597	\$ 37,691	\$ 37,786	\$ 37,880	\$ 37,975	\$ 38,070	\$ 38,165	\$ 38,260	\$ 38,356	\$ 38,452	\$ 38,548	
\$ 61,879	\$ 62,225	\$ 62,575	\$ 62,928	\$ 63,285	\$ 63,647	\$ 64,012	\$ 64,381	\$ 64,754	\$ 65,131	\$ 65,512	
\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 123,024	\$ 124,214	\$ 125,419	\$ 126,640	\$ 127,876	\$ 129,129	\$ 130,397	\$ 131,683	\$ 132,984	\$ 134,303	\$ 135,639	
\$ 8,652,832	\$ 8,777,046	\$ 8,902,465	\$ 9,029,105	\$ 9,156,981	\$ 9,286,110	\$ 9,416,507	\$ 9,548,190	\$ 9,681,174	\$ 9,815,477	\$ 9,951,116	
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\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	
\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
\$ 520,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	
\$ 8,671,563	\$ 8,691,563	\$ 8,711,563	\$ 8,731,563	\$ 8,751,563	\$ 8,771,563	\$ 8,791,563	\$ 8,811,563	\$ 8,831,563	\$ 8,851,563	\$ 8,871,563	
\$ 396,976	\$ (104,214)	\$ (105,419)	\$ (106,640)	\$ (107,876)	\$ (109,129)	\$ (110,397)	\$ (111,683)	\$ (112,984)	\$ (114,303)	\$ (115,639)	
\$ 18,730	\$ (85,484)	\$ (190,902)	\$ (297,542)	\$ (405,418)	\$ (514,547)	\$ (624,945)	\$ (736,627)	\$ (849,612)	\$ (963,915)	\$ (1,079,554)	