

Thursday, August 30, 2012

## MEMORANDUM

To: Jim Dinley, CBS Administrator

From: Garry White, Director

Subject: Aggregate Construction, Inc. Lease Request

### Introduction

The Sawmill Cove Industrial Park (SCIP) Board of Directors recommends approval of a lease for space at the SCIP as requested by Aggregate Construction, Inc and approved by the SCIP Board at their meeting of August 27, 2012.

### Background

Aggregate Construction, Inc (ACI), a local construction and paving company, is requesting to lease Lots 6 and 7 of the SCIP for a minimum of one year for equipment and materials storage, and for an asphalt plant.

### Additional Information

- Lot 6 is 41,028 SF. The SCIP Board has set the yearly rate at \$0.36/SF/YR. Annual lease income will be \$14,770.08
- Lot 7 is 32,879 SF. The SCIP Board has set the yearly rate at \$0.36/SF/YR. Annual lease income will be \$11,836.44
  - *Standard lease rates are determined by a formula using land valuation set by the CBS Assessor and a 9% return annually on the asset value.*

Total lease area of 73,907. Total annual lease income of \$26,606.52

- Both lots 6 & 7 are covered with alder trees and have several piles of debris on the lot. Currently a majority of the lot square footage is not leasable.

### Terms

- Minimum of 1 (one) year term.
- Lease rate of \$0.36/SF/YR for a total annual lease payment of \$26,606.52
- ACI is required to remove alders and debris on Lots 6 & 7..
- At termination of lease, ACI will leave the non-concrete lease area graded with crushed gravel at a level with the existing concrete pads.
- ACI will receive a one-time lease credit of \$6,000 for site improvements.

### Action

- Recommended approval of lease terms to ACI.

