

Financial Assessment of Decatur Conference Center

Decatur Conference Center

Is subject to a 24-year lease with Courtyard Marriott

Sits on 1.3 acres of land and pays no taxes

Receives no rent until 2024

Is allocated \$150,000+ annually in the City's budget

Decatur Conference Center

Annual Financial Impact on City

	2015	COMMENT
LEASE	\$0	No rent for first thirteen years. ¹
HOTEL/MOTEL TAX²	(\$158,000)	Lease makes city liable for maintaining building envelope. GA law does not require that it be spent on conference center.
CITY PROPERTY TAX REVENUE	\$0	City would earn ~\$21,000/YEAR at current valuation. ³
INSURANCE	???	Required under contract – not sure of cost.
STAFF TIME	???	Not sure whether City tracks.
FREE SPACE	24 HOURS/MONTH	Actual use, market rates and availability of alternative space would determine value.
TOTAL	(\$158,000)	Annual loss

¹ \$72,000 indexed (+5%/every 3 years). No rent received for 13+ years to offset \$1.1 million capital investment by lessee.

² Hotel/Motel tax is put into a capital reserve fund to meet the City's contractual obligation to maintain the building

³ Taxes assume valuation of \$3.5 million based on current assessment plus adjustment to land value

NOTE: Not official City data. However, all data is based on documentation provided by the City.

Conference Center Operational Profit & Loss

status quo vs. sale to private owner

	CURRENT	IF SOLD
LEASE	\$72,000/YEAR ¹	\$0
HOTEL/MOTEL TAX	(\$158,000)/YEAR	\$0
CITY TAXES	\$0	\$21,000/YEAR
DDA TAXES	\$0	\$800/YEAR
INSURANCE	???	\$0
STAFF TIME	???	NONE
FREE SPACE	24 HOURS/MONTH	NONE
ANNUAL REVENUE	(\$86,000)	\$21,800
24-YEAR TOTAL	(\$2,829,000)	\$545,000*

¹ City will begin receiving rent in 2024, once it has reimbursed the Marriott for capital investment in the facility.

* Does not include any revenue from sale of building.

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*Conference Center Building
Assessed at \$2.6 Million. Adjacent
Land Sold for \$3 Million/Acre*

Parcel ID: 15 246 04 127

To view map, click on parcel ID number.

Owner Information

Tax District	92 - DECATUR	Zoning	X - UNKNOWN
Jan. 1st Owner	CITY OF DECATUR	Land Use	630 - Auditorium
Co-Owner		Land Unit	60,113
Current Owner	CITY OF DECATUR	Calculated Acreage	1.38
Co-Owner		Deeded Acreage	1.3
Owner Address	509 N MCDONOUGH ST DECATUR GA 30030	Neighborhood	5000
Property Address	0 MONTGOMERY ST	Property Class	E1 - PUBLIC PROPERTY


Appeal Status

Date Notice Mailed

2016

2015

Assessment Notice

Header. It is available at 

Year - ASMT Notice or Letter

available. Your letter of appeal must be hand-delivered or **POSTMARKED BY THE U.S. POSTAL** Service on the front of your **2016** Notice to ensure acceptance as a timely appeal. If you do not file an appeal by this date, your right to file an appeal will be lost. Late appeals will not be processed.

Building Characteristics

Year Built	1988	Square Footage	24,627
Condition Code	AVERAGE	Unfinished Basement	73,881 Sq. Ft.
Quality Grade	AVERAGE	Finished Basement	0 Sq. Ft.
Air Conditioning		Bedrooms	
Fireplace		Bathrooms	
Stories			

Current Appraised & Assessment Value

Tax Year	Total Appraised	Taxable Land	Taxable Imp.	Total Taxable	Total Taxable Assessment (40%)
2015	\$2,858,600	\$300,500	\$2,558,100	\$2,858,600	\$0

Sales History

Book/Page	Sale Date	Deed Type	Sale Condition	Sale Price
24318 - 00024	3/3/2014	QC - QUIT CLAIM DEED	Q - QUIT CLAIM DEED	\$10.00
24133 - 00055	10/21/2013	QC - QUIT CLAIM DEED	Q - QUIT CLAIM DEED	\$1.00
22478 - 00096	5/11/2011	QC - QUIT CLAIM DEED	Q - QUIT CLAIM DEED	\$0.00
22478 - 00092	5/11/2011	QC - QUIT CLAIM DEED	Q - QUIT CLAIM DEED	\$0.00

CONCLUSION

- The City of Decatur could sell the Conference Center for more than \$4 million (*building valued at \$2.6 million, land at \$3+ Million*)
- The City would have to reimburse the Marriott about \$700,000 for capital investments made in 2011.
- Selling the Conference Center would save the City more than \$100,000 annually

APPENDIX

Conference Center 24 Year Profit & Loss

		<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2034</u>	<u>24 YEAR TOTAL</u>
RENT BALANCE DUE TO CITY		\$ 72,000	\$ 72,000	\$ 72,000	\$ 75,600	\$ 75,600	\$ 75,600	\$ 79,380	\$ 79,380	\$ 79,380	\$ 83,349	\$ 83,349	\$ 83,349	\$ 87,516	\$ 87,516	\$ 87,516	\$ 91,892	\$ 91,892	\$ 91,892	\$ 96,487	\$ 96,487	\$ 96,487	\$ 101,311	\$ 101,311	\$ 101,311	\$ 2,062,608
MARRIOTT (for prior investment)	\$ 1.1 million	\$ 1,028,000	\$ 956,000	\$ 884,000	\$ 808,400	\$ 732,800	\$ 657,200	\$ 577,820	\$ 498,440	\$ 419,060	\$ 335,711	\$ 252,362	\$ 169,013	\$ 81,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100,000
INCOME TO CITY		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,020	\$ 87,516	\$ 91,892	\$ 91,892	\$ 91,892	\$ 96,487	\$ 96,487	\$ 96,487	\$ 101,311	\$ 101,311	\$ 101,311	\$ 962,608
HOTEL- MOTEL TAX EXPENDI- TURES		\$ (70,310)	\$ (133,446)	\$ (143,368)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (158,620)	\$ (3,678,144)
																										\$ (2,715,536)
																										NET REVENUE

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