

METROPOLIS THEATER STUDY RESULTS - COST SUMMARY OF OPTIONS

	Total Estimated One-time Costs	Total Estimated Annual Costs
1. Close the Venue		
Estimated closing costs (liabilities \$467K - \$177K cash & receivables as of 12/31/14)	\$290,000	
Annual CAM (until building sold)		\$76,400
Annual Building Reserve (until building sold)		\$14,400
Annual Reserve for Infrastructure Replacement (Depreciation - until building sold)		\$75,000
		\$165,800
2. Recently Retooled Management Structure		
One-time Costs - \$0	\$0	
Annual subsidy - need add'l revenue source to cover add'l \$85K over current \$165K subsidy, plus add'l fundraising to cover costs per Johnson Study		\$250,000
Annual Building Reserve		\$14,400
Annual Capital/Equipment Replacement		\$35,000
Annual Reserve for Infrastructure Replacement (Depreciation)		\$75,000
		\$374,400
3. Expand the Venue		
One-time construction cost (+200 seats, rigging, etc.) per 2002 Johnson Study (\$1,900,000 inflated 3% annually since 2002)	\$2,800,000	
Annual Building Reserve		\$14,400
Annual Capital/Equipment Replacement		\$35,000
Annual Reserve for Infrastructure Replacement (Depreciation)		\$75,000
		\$124,400
4. Private Management		
One-time Costs - \$0	\$0	
Annual Management Fee		\$200,000
Annual Performance Bonus		\$200,000
Annual Building Reserve		\$14,400
Annual Capital/Equipment Replacement		\$35,000
Annual Reserve for Infrastructure Replacement (Depreciation)		\$75,000
		\$524,400
5. Village Operation of the Theater		
One-time Costs - \$0	\$0	
Annual subsidy - need add'l revenue source to cover add'l \$85K over current \$165K subsidy, plus add'l fundraising to cover costs per Johnson Study		\$250,000
Estimated net cost from administrative economies of scale vs. required benefit expenses		\$300,000
Annual Building Reserve		\$14,400
Annual Capital/Equipment Replacement		\$35,000
Annual Reserve for Infrastructure Replacement (Depreciation)		\$75,000
		\$674,400

Note: As long as the Village owns and leases commercial condominium units at the Metropolis Building, Village costs will include: the annual Building Reserve charge, annual equipment replacement costs, and depreciation.