

BOB LAMB TOLD THE BOARD THE TOTAL COST FOR THE MATCH FACTORY WOULD BE \$5.5 MILLION...SO FAR WE HAVE SPENT 8 MILLION DOLLARS AND NEED ANOTHER 7 MILLION TO FINISH

WRONG AGAIN

FINANCIAL ANALYSIS OF VARIOUS OPTIONS

Introduction

The attached financial plan compares the income and expenses for five years for five of the expansion options which have been considered. They are:

Do Nothing - Remaining at the present facility and renting additional space as necessary. This option would generate no additional income. It envisions renting 2000 sq ft off-site for book storage in 2001. In 2002 it anticipates the need for a part-time employee to take material to and from the off-site facility. Replacement of existing HVAC and increased maintenance would add to maintenance costs.

The Match Factory Anticipates acquiring the Match Factory and moving the Library and Society to the new site. This is the most expensive option, but it would also generate the most income. It is premised on applying the sale price of the existing building to the new facility along with the money generated from tax credits. It also anticipates rental income of about \$640,000 per year. The financial plan assumes a total of \$5,520,000 to renovate the building, to furnish it and to move. There would also be added costs for maintenance and debt servicing. There would be some savings in mail room personnel. At the end of five years, we project an outstanding debt of \$1.3 million. This debt could be cleared from rental income by 2009.

Stand Alone Facility on Present Lot - Envisions a 10,000 sq ft building on the present site. Costs are principally for construction (at \$150 per square foot), additional maintenance on the existing building, and debt servicing. It anticipates no additional income other than fund-raising.

Stand Alone Facility with Rental Space - Envisions a 20,000 sq ft building on the present site. Costs are principally for construction (at \$150 per sq ft), additional maintenance on the existing building and debt servicing. It anticipates \$180,000 per year in rental income after 2002. Debt could be retired in about 25 years.

Expanded Building on Present Lot Assumes 25,000 sq ft expansion of existing facility with meeting and display facilities. Major expenses would be construction and debt servicing. At end of five years debt would be \$6 million. No major income sources.