ACCT #	Rent vs. Mortgage Delivery and HQ	2022 Budget	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
7651	7651 HQ RENT (w/CAM) St. John Properties will reduce the rent for years 1 and 2 and will then resume annual increases.	$222,566.11	$212,807.00	$204,313.00	$207,275.54	$209,389.75	$212,425.90	$214,592.64	$217,704.24	$219,924.82	$223,113.73	$225,389.49
7296	7296 DELIVERY RENT (w/CAM) Delta Properties is willing to hold rent at the current rate through 2025 and then a 1% increase annually.	$171,342.11	$ 172,908.00	$ 172,908.00	$ 172,908.00	$ 174,637.08	$ 176,383.45	$ 178,147.29	$ 179,928.76	$ 181,728.05	$ 183,545.33	$ 185,380.78
	Total Facility Cost - Renting	$393,908.22	$385,715.00	$377,221.00	$380,183.54	$384,026.83	$388,809.35	$392,739.93	$397,633.00	$401,652.87	$406,659.06	$410,770.27
	BCPL Primary Loan $5.5 million		$266,410.96	$434,578.67	$434,578.67	$434,578.67	$434,578.67	$434,578.67	$434,578.67	$434,578.67	$434,578.67	$434,578.67
			interest only									
	BCPL Secondary Loan $1 million		$0.00	$81,997.00	$81,997.00	$81,997.00	$81,997.00	$81,997.00	$81,997.00	$81,997.00	$81,997.00	$81,997.00
	Total Both Loans Annual Mortgage		$266,410.96	$516,575.67	$516,575.67	$516,575.67	$516,575.67	$516,575.67	$516,575.67	$516,575.67	$516,575.67	$516,575.67
	Loan vs. Rent		-$119,304.04	$139,354.67	$136,392.13	$132,548.84	$127,766.32	$123,835.74	$118,942.67	$114,922.80	$109,916.61	$105,805.40
	Break Even Loan vs. Rent											
	Operating Costs		**Renting**	**Owning**	**Difference**							
HQ	Utilities - MG&E and Alliant Energy gas and electric		$ 12,500.00	$ 22,400.00	$ 9,900.00							
	Property Insurance - Hausmann Group		$ 3,088.00	$ 6,000.00	$ 2,912.00							
	Repairs		$ 1,000.00		$ (1,000.00)							

	HVAC Maintenance Agreement - St. John Properties		$ 1,652.00		$ (1,652.00)							
	Snow removal and lawn care - Contracted by Corben Group			$ 2,943.75	$ 2,943.75							
	Repairs/Equipment replacement/Maintenance Agreements - Create Contingency Fund			$ 5,000.00	$ 5,000.00							
	Trash/Recycling - Corben Group			$ 373.75	$ 373.75							
	Ground Lease - split w/delivery			$ 10,500.00	$ 10,500.00							
					$ -							
Delivery	Facility Costs (utilities, maintenance)		$ 13,658.00	$ 13,658.00	$ -							
	Repairs/Equipment replacement/Maintenance Agreements - Create Contingency Fund			$ 5,000.00	$ 5,000.00							
	Trash/Recycling - Corben Group			$ 373.75	$ 373.75							
	Snow removal and lawn care - Contracted by Corben Group			$ 2,943.75	$ 2,943.75							
	Ground Lease - split w/HQ			$ 10,500.00	$ 10,500.00							
	Total		$ 31,898.00	$ 79,693.00	$ 47,795.00	Additional operating costs will be split by HQ and Delivery = about $24,000/year. To be paid with additional st						
	Notes											
	The cost of HQ rent reflects the removal of the WLA office, a price reduction for the first 2 years and increases annually thereafter. 10-year quote provided by landlord St. John Properties. Prices only guarant											
	The cost of the Delivery rent reflects current rates through 2025 and a 1% increase annually starting in 2026. Prices only guaranteed 5 years. Includes all Common Area Maintenance (CAM)											
	The cost of the ground lease, snow removal and lawn care, equipment replacement fund and trash/recycling will be split by HQ and Delivery.											
	20% of the "HQ only" utilities cost will be absorbed by delivery budget as part of the existing Lakeland building will be shared by delivery for offices, bathrooms and lounge.											
	Source of funding is the $5.5 Million BCPL loan, additional $1 million BCPL loan and $500,000 of general contingency.											
	Technology contingency funds will be used to pay for a portion of the data center.											
	Additional state aid of $206,078 starting in 2023 will be used to fund additional mortgage/operating costs, as well as being used to maintain Tech/ILS fees, reduce delivery fees and provide staff wage increas											

Summary:

Cost of both mortgages is $119,304 less than rent in 2023 due to loan 1 being interest only and loan 2 not due until 2024. Allows flexibility in moving date and overlap with rent.

Starting in 2024, the cost of both mortgages is $139,355 per year more than renting. This will be split by HQ and Delivery and will be funded by additional state aid. It will not affect member fees.

By the end of the 2nd loan, the cost of the mortgage is less than rent by $377,597.

When both loan payments are complete, SCLS will start saving over $465,337 per year by not paying rent- additional operating costs of $48,000 = annual savings of $417,337. This amount will increase each y

By year 23, 3 years after both loans are paid off, the savings will pay back the amount of mortgage paid over rent.

The remaining 54 years of the ground lease x $417,337 in savings = savings for the system of over $22,000,000.

SCLS also owns a $6.5 million asset

Looking Ahead:

The goal of this plan is to place SCLS in the most solid financial position moving into the future. In 20 years, when the loans are paid off, SCLS will save nearly $500,000 per year that can be used to reinvest in the system's members, staff, building and future.

It's our fiscal responsibility to our members and our community to use our public funding as wisely as possible.

Continuing to rent 2 facilities with escalating annual rent will eventually exceed our state aid's capacity to pay for the facilities, which will result in increased fees to our member libraries.

Purchasing/building and owning one facility in which to operate all system services will allow SCLS to gain efficiencies, streamline services, save money long-term and reduce fees to our member libraries.

2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
								Last year of loan 1	Last year of loan 2			
$228,657.64	$230,989.95	$234,339.30	$236,729.56	$240,162.14	$242,611.79	$246,129.67	$248,640.19	$252,245.47	$254,818.37	$258,513.24	$261,150.08	$264,936.75
$ 187,234.59	$ 189,106.93	$ 190,998.00	$ 192,907.98	$ 194,837.06	$ 196,785.43	$ 198,753.29	$ 200,740.82	$ 202,748.23	$ 204,775.71	$ 206,823.47	$ 208,891.70	$ 210,980.62
$415,892.23	$420,096.88	$425,337.30	$429,637.54	$434,999.20	$439,397.23	$444,882.95	$449,381.01	$454,993.70	$459,594.08	$465,336.71	$470,041.78	$475,917.37
$434,578.67	$434,578.67	$434,578.67	$434,578.67	$434,578.67	$434,578.67	$434,578.67	$434,578.67	$434,578.40	$0.00	$0.00	$0.00	$0.00
$81,997.00	$81,997.00	$81,997.00	$81,997.00	$81,997.00	$81,997.00	$81,997.00	$81,997.00	$81,997.00	$81,997.00	$0.00	$0.00	$0.00
$516,575.67	$516,575.67	$516,575.67	$516,575.67	$516,575.67	$516,575.67	$516,575.67	$516,575.67	$516,575.40	$81,997.00	$0.00	$0.00	$0.00
$100,683.44	$96,478.79	$91,238.37	$86,938.13	$81,576.47	$77,178.44	$71,692.72	$67,194.66	$61,581.70	-$377,597.08	-$465,336.71	-$470,041.78	-$475,917.37
												-$64,149.07

ate aid.

eed 10 years. Includes all Common Area Maintenance (CAM).

es.

ear by $5,000/year as rent would have increased.

2046	2047	2048
$267,639.11	$271,519.87	$274,289.38
$ 213,090.43	$ 215,221.33	$ 217,373.54
$480,729.53	$486,741.20	$491,662.92
$0.00	$0.00	$0.00
$0.00	$0.00	$0.00
$0.00	$0.00	$0.00
-$480,729.53	-$486,741.20	-$491,662.92
-$544,878.61	-$1,031,619.81	-$1,523,282.73