

# memorandum

---

to: Neil Fritz, Pompano Beach CRA  
from: Carrie Blake, Webb Management Services  
date: August 24, 2012  
re: Business Plan for a Visual Arts Center at Hotel Bailey

---

Webb Management Services has been contracted by the Pompano Beach CRA to consider the need and opportunity for cultural programming and facilities to be established in Pompano Beach, and then to develop preliminary physical and business plans for recommended spaces.

This report represents the business plan we have been asked to create for a Visual Arts Center to be developed in the former Hotel Bailey.

## 1. The Visual Arts Center Concept

The business plan is one of several components that have considered the need, opportunity and potential viability of new cultural facilities in Pompano Beach.

Our previous needs assessment considered the viability for new cultural facilities based on four key issues: market demand, gaps in the inventory of existing facilities and program offerings, demand on the part of artists and arts organizations, and the goals and priorities of the City. The research and resulting conclusions suggested a number of opportunities for programming and facility components in Pompano Beach, including more adequate workspace for individual artists as well as sufficient retail and exhibition space and arts education space. The County's Cultural Arts Division believes that the development of an incubator program that might provide groups of artists with space and support on a short-term basis will fulfill regional needs.

Soon after the conclusion of the Needs Assessment, the CRA identified the vacant Hotel Bailey as a potential site for this concept, recognizing that the current layout, which includes a number of small individual rooms, might be a well-suited and cost-effective match. The site presents a number of opportunities and challenges.

### *Pros*

- \* The layout and characteristics of the Hotel Bailey have great potential to accommodate the needs of regional visual artists.
- \* A center focused on visual artists and engaging the public with visual artists has potential to provide a profound impact, bringing new life and visitors to the area.

- \* The location is relatively central, close to the Civic Campus and with good access to major roadways and nearby parking.
- \* The facility has potential to reanimate the building and the surrounding historic area.
- \* The property is already publicly-owned and an interior demolition plan is in place.

*Cons*

- \* The location may not be initially desirable for students, parents and gallery visitors due to lack of current amenities.
- \* Some care will need to be taken in order to ensure that the facility and its tenants are engaging all segments of the community through education programs, exhibitions and projects that respond to the neighborhood and community's history or otherwise.

Working with the existing interior demolition plan and other documents, we have suggested that a Visual Arts Center developed at Hotel Bailey could include the following components:

- \* Small, dedicated studios for individual artists to work and teach.
- \* Administrative space for facility management and to provide artists with administrative resources.
- \* A shared kiln room where artists can fire ceramics.
- \* Public areas that include communal space, an exhibition gallery and two education studios, which could be used by artists for teaching, but also by Parks/Recreation/Cultural Arts for visual arts programs.

The adaptive re-use of the Hotel Bailey as a Visual Arts Center is an extremely compelling project for Downtown Pompano and is likely to provide the City with a significant return on investment as it inspires economic impact and nearby economic development. The layout and characteristics of the facility allow it to provide much-needed workspace for regional visual artists. It has potential to draw and serve artists, students, new visitors and other related foot traffic to downtown Pompano (who are then likely to spend money at nearby establishments.) And, in combination with new Cultural Center slated for development on the 2<sup>nd</sup> floor of the library, it has potential to contribute to the establishment of a larger community of artists and create a center of cultural vitality and activity in North Broward County.

## **2. Comparable Models**

The following pages include details of two similar visual arts centers, one operated by an artist in San Angelo, Texas and another operated by a non-profit entity in Rochester, New York. The details suggest that regardless of the operator, the management of these spaces requires small staff and relatively low resources, as both run on budgets of \$200K to \$300K per year. Activities support resident artists, allowing them to display and sell work, and also invite the public to meet and interact with artists through monthly events, demonstrations, viewing hours and other programs.

**Rochester Contemporary Art Center, Rochester, NY**



<b>Construction</b>	1978
<b>Physical Components</b>	<p>Two-story facility</p> <ul style="list-style-type: none"> <li>• 4,000-sf main gallery               <ul style="list-style-type: none"> <li>○ National/ international artist exhibitions</li> </ul> </li> <li>• 600-sf gallery               <ul style="list-style-type: none"> <li>○ Collaborative projects and nonprofit events</li> </ul> </li> <li>• 100-sf exhibition space               <ul style="list-style-type: none"> <li>○ Non-curated exhibition space available only to members</li> </ul> </li> <li>• 9-artist studios</li> <li>• Office space</li> <li>• 150-sf storage space</li> </ul>
<b>Operating Budget</b>	<p>Approximately \$275,000 operating budget</p> <ul style="list-style-type: none"> <li>• 30% earned revenue               <ul style="list-style-type: none"> <li>○ Rentals, membership dues</li> </ul> </li> <li>• 70% contributed               <ul style="list-style-type: none"> <li>○ Contributions, grants, special events, program services</li> </ul> </li> <li>• Experiencing income growth</li> </ul>
<b>Administrative Staff</b>	A full-time Executive Director runs the Center. Additional support staff consists of interns and volunteers that assist in research, planning and executing diverse programming. Most interns are graduate students receiving college credit for their work.
<b>Ownership &amp; Governance</b>	The Center is a non-profit organization and is overseen by a nine-member Board of Directors.
<b>Programming &amp; Utilization</b>	The Center is open year-round and presents exhibitions in the main gallery of renowned and emerging artists from around the world. Each exhibition generally features one or two artist talks prior to the opening. Activity in the Para-Site Gallery involves collaborative projects with other arts organizations and artists. The LAB space is a non-curated exhibition space available only for Center members to display work. Lectures, workshops and open drawing sessions are also offered, as well as internship programs and seminars. Attendance at the Center has recently grown from roughly 5,000 attendees a year to nearly 5,000 a month.
<b>Relationship/ Deal with Artists</b>	Nine artist studios are available to rent at the Center. Studios are on the second floor of the East End Building, which is located in the heart of East End cultural district. Studios range from 150 to 400-sf each and have 24-hour private access, a common work sink and restrooms, and a common area to display artwork. Rents for these studios range from \$250 to \$575 per month and includes all utilities. Tenants are encouraged to participate in “Upstairs Open Studios” during gallery openings and “First Friday Events;” this gives artists the opportunity to meet gallery patrons, and show and promote their work. Visitors should contact the Center in advance to set up appointments for artist studio viewing. Artists are able to meet with visitors at their studios to promote and sell their work, although no formal selling space is offered.

**Chicken Farm Art Center, San Angelo, TX**

<b>Construction</b>	1971	
<b>Physical Components</b>	<p>Center is housed on two acres of land:</p> <ul style="list-style-type: none"> <li>• Two galleries <ul style="list-style-type: none"> <li>○ 750-sf permanent collection gallery</li> <li>○ 1,200-sf rotating artist gallery</li> </ul> </li> <li>• 900-sf meeting room/ exhibit space</li> <li>• Pottery shop</li> <li>• 15 artist studios</li> <li>• Adjacent Bed and Breakfast and Silo House Restaurant</li> </ul>	
<b>Operating Budget</b>	<p>\$200,000 annual operating budget</p> <ul style="list-style-type: none"> <li>• 100% earned income</li> <li>• 18% from studio rentals</li> <li>• Remainder from art sales</li> </ul>	
<b>Administrative Staff</b>	Center operations are managed by a full-time Art Center Director, Roger Allen. A part-time Office Assistant helps with daily operations; however, the Director hopes to make this a full-time position in the near future.	
<b>Governance &amp; Ownership</b>	The Center is a small, for-profit business owned and managed by artist, Roger Allen.	
<b>Programming &amp; Utilization</b>	<p>The Center is open year-round and features a permanent pottery collection in the StarKeeper Gallery by artist Roger Allen and a rotating collection of artwork by local and national artists in the Gecko Gallery; both galleries are free and open to the public. The monthly <i>1st Saturdays</i> event is also free and open to the public and involves artist demonstrations, live music, blacksmiths, free clay for kids, featured artists and open studios where the public can interact with and purchase work from studio artists. The San Angelo ceramic weekend in April, blacksmith fellowship in May and a three-day Thanksgiving Open House in November are all held annually at the Center. During Center business hours (Tuesday through Saturday) visitors have the opportunity to watch, interact with and purchase work from the 15 studio artists.</p>	
<b>Relationship/ Deal with Artists</b>	<p>Fifteen artist studios are available to rent at the Center. Each studio functions as both a work-space and a showing space; therefore, artists are able to display and sell their work in the same location. Studios range from 600 to 900-sf and have a sink, storage space and working space. Rent for each of these studios ranges from \$150 to \$200 a month, without a minimum requirement, and include all utilities. Artists are allowed to remodel their studio space to fit their needs and most artists have rented space at the Center for many years. The Center is not run as an artist co-op and studio artists are not required to be in their studios during Center business hours.</p>	

## 2. Operating Goals

The Visual Arts Center should have the following operating goals:

- \* Support local and regional artists by providing space for them to create and sell their work.
- \* Provide new opportunities for arts education in the community.
- \* Attract consumers to the community who are interested in the work of local artists.
- \* Serve as a gathering place for local artists and their customers.
- \* Operate in such a manner that it can be financially sustained with available resources.

## 3. Governance + Operating Options

There are several different models by which to manage the operation of the Visual Arts Center.

- A. **A Government Entity:** The Hotel Bailey is owned by the Pompano Beach CRA, which is also investing in its renovation and adaptive-re-use. As a result, the CRA or City may choose to retain control over the facility's operation and use in order to ensure that it best serves City goals and priorities. If the City is to operate the facility, it would be best for the facility to be operated and programmed by Parks/Recreation/Cultural Arts, which we have proposed to also manage the Cultural Center to be developed on the 2<sup>nd</sup> floor of the County Library. The department is responsible for the development and delivery of all cultural programming and public events in the City.
- B. **A New Mission-Driven Entity:** Within this scenario, one for-profit or nonprofit agency operates the Center, often leasing space to other nonprofit or art centered organizations. This is the most common model of operation for arts facilities. This mission driven organization would be created with the express purpose of operating the Visual Arts Center, ensuring that it serves the previously defined operating goals and serves as a community resource and asset. This structure would also allow for funds to be raised in support of the Center and its activities. Sometimes this structure is organized in the form of a tenant cooperative, requiring governance participation from all tenants.
- C. **An Established Third Party Arts Operator:** The City may also choose to lease operations of the Visual Arts Center to an established arts entity that operates other similar facilities. This operator could be solicited and contracted through an RFP process. Ideal respondents would include organizations that currently operate similar facilities, serving individual artists (such as ArtServe in Fort Lauderdale) with the theory being that they are able to bring existing infrastructure and skills to the facility. The City should not expect to earn any revenue from such an arrangement, but instead find value in bringing an experienced program provider to the community in order to spur desired benefits and impacts for residents, downtown development and more.

The operator of the Visual Arts Center must bring a diverse set of skills that can be grouped into three classifications:

- I. **Practical:** Administrative skills, including building operations, scheduling, volunteer and human resource management, fundraising and promotion, occupant services, third party deals and financial management.
- II. **Creative:** Areas in which an artistic point of view and curatorial approach is required including programming and educational programs.
- III. **Leadership:** Higher-level skills associated with longer term planning and management, also including a communications plan for the building and the ongoing opportunity to promote and facilitate communications and collaborations between all those in and around the project. This includes the development and management of policy and procedure, financial management and communications.

If the City's Parks/Recreation/Cultural Arts Department expands to include a formal Cultural Arts Division, it will make sense for the Visual Arts Center to be operated by the Division, as it will also manage the new Cultural Center and will be a provider of arts education programs in this facility. Here again, there are efficiencies to be gained via the Division's skill set and resources and via the fundraising mechanism that will also support the Cultural Center. If the Cultural Arts Division is not established, the facility's operations should be leased out—but only to an operator that has experience managing similar facilities that provide workspace to visual artists and related community programming.

#### 4. Operating Details

Whoever the operator, the following are a few key elements of operating policy that should guide the day-to-day operations of the Visual Arts Center.

- \* Explicit policies must be in place on how studios are rented and how artists are able to sell their work at the Center.
- \* Programs should be developed based on what skills/disciplines might be taught by local artists and what the local market would support.
- \* A partnership with the local Chamber of Commerce and tourism development entities will be critical to market and promote the Center to seasonal residents and visitors.

The key element of the plan is recruiting and organizing the artists, managing the space, developing educational programs (or partnering with artists and existing entities to provide those programs,) and securing funding support.

#### 4.1 Artist Selection + Policy

Artists should have to submit to an application process and leasing arrangement for studio space at the Visual Arts Center. Following are recommended components of that process and related requirements.

- \* Artists should be able to submit applications for studio space on a rolling basis. At that time, applications should be reviewed by tenant artists. This peer panel can then make recommendations to the Center Manager who then interviews the top candidates before making a final selection.
- \* Visual Arts Center management may choose to require applying artists to be regional residents.
- \* Artists must submit a portfolio of their work to show they are a professional artist and show that they are financially able to pay rent.
- \* A leasing structure should be developed and published. As a starting point, we would recommend that leases last for one year with an automatic renewal of one year unless both parties give a 30-day notice.
- \* The lease should note that artists are expected to participate in exhibitions, presentations, open studio hours, educational activities and other events.
- \* Artists should also be required to be members of the visual arts center. Membership is described below.

We would also suggest the establishment of a membership structure to ensure that tenant artists are involved in the animation of the facility and that the community is sufficiently engaged. For example:

- o In Washington DC, the DC Arts Center has developed a membership program that allows the surrounding public community to be more integrated with the facility. This is a traditional program where, after paying a membership fee, arts center constituents are privy to an array of benefits at local businesses. This is a high maintenance approach, requiring staff to recruit fresh program partners on an ongoing basis in order to maintain or grow membership. It also provides important income and builds good public relations, as members seem to be the Center's most vocal advocates.
- o The Stutz in Indianapolis is owned by a private management company, but a nonprofit arm functions as a membership organization for the building's artists. Members work together to provide shared programs and marketing events, bringing a sense of community and pride to all building occupants.

The Visual Arts Center should follow a model like the DC Arts Center, bringing the artists and public together in its membership structure, providing members with perks and unique experiences,

including discounted classes and lessons, member-only events and potentially even providing reduced facility rental rates.

#### **4.2 Staffing**

The operation does not call for significant staff requirements. Even so, it will be important for a professional staff member to operate the Visual Arts Center.

- \* *Visual Arts Center Manager:* As the Center's only full-time staff member, the Visual Arts Center Manager is responsible for administering the facility and its retail operations on a day-to-day basis, overseeing operations and staff, managing annual budgets, working with an advisory board or volunteer board of directors, recruiting and supporting resident artists, driving program development and supervising sales in the gallery/retail area.

Two additional part-time staff members should support the Visual Arts Center Manager, covering public hours on weekends, providing administrative support and helping to maintain and clean the facility.

#### **5. Activity**

The Visual Arts Center has potential to house several different types of activity.

##### *A. Artist Use*

The principal function of the Visual Arts Center is to provide workspace for artists to create and collaborate, as well as sell their art and engage with the public. Artists should also be encouraged to participate in designated open studio hours and monthly events that include exhibition, open studios and a reception.

There are 12 studios that can be rented on an annual basis, with rent paid monthly.

##### *B. Arts Education Programs*

The Visual Arts Center is envisioned as a community facility and resource. The facility will host arts education activity:

- \* *Individual lessons:* Resident artists may choose to develop and provide private lessons to community members within their studio space.
- \* *Classes and workshops:* Resident artists, outside artists or arts organizations and Parks/Recreation/Cultural Arts should provide visual arts classes and workshops in the facility's two classrooms or the pottery studio.

- \* *Summer camps:* Resident artists, outside artists or arts organizations and Parks/Recreation/Cultural Arts may develop and offer a visual arts summer camp for area youth. This could also be developed in conjunction with the Digital Media Center at the nearby Cultural Center.
- \* *Exhibition-related activities:* Arts education events such as lectures, gallery talks, and children's workshops should be offered in conjunction with exhibitions.

These programs and activities may be provided by the facility operator, or by a contracted program provider. To begin with, we assume that revenue generating activities include 10 annual 12-week classes, monthly 2-hour workshops and one four week summer camp. Additional events such as exhibition openings, lectures, gallery talks and family workshops should be offered at no charge.

### C. *Facility Rentals*

The public spaces of the Visual Arts Center, including the exhibition space and two classrooms, should be available for rental to the community-at-large, including arts groups for educational activities or meetings, civic organizations, businesses and individuals who might need the space for meetings or events.

We assume that the conference room, classrooms and gallery are rented a total of 70 times per year by a variety of non-profit and commercial organizations.

## **6. Pro-forma Operating Budget**

Following is a description of key elements of the pro-forma operating budget attached to this document.

- \* The first key revenue source is the rent of the twelve studio areas, with fees based on \$25 per square foot.
- \* Next are rental of other spaces, including the classrooms, gallery and conference room to both nonprofit and commercial entities for 2 to 4 hours, depending on the space and type of use.
- \* Next are commissions from art sold in the gallery. This we set on a 30% commission basis.
- \* Program revenues are modest fees from students taking various visual arts classes and workshops over the year, taught by local visual artists. These revenues also come from a summer camp offered to local youth.
- \* A modest membership program provides community members with special access to exhibitions and events and reduced rates for programs.
- \* The most significant expenses are full and part-time staff to manage the space.

- \* There are direct operating costs for the programs, based on a percent of revenues.
- \* Administrative costs are nominal but include important office and communications line items. They also include a budget of \$15,000 per month for special events
- \* Occupancy costs are required to sustain and maintain the facility.
- \* Earned income covers some 65% of operating expenses, meaning the need to raise an additional \$58K to \$63K annually. This would seem like a reasonable investment given the scope and impacts of the Center. It is also not likely to be difficult to raise these funds, in support of providing affordable workspace to artists and arts education opportunities to children and adults.

Following is a summary of the budget:

<b>Summary of Operating Budget</b>									
	<b>2013</b>		<b>2014</b>		<b>2015</b>		<b>2016</b>		<b>2017</b>
Earned Income	\$107,150		\$112,021		\$116,826		\$122,035		\$127,689
Operating Expenses	\$164,851		\$170,794		\$176,991		\$183,488		\$190,304
Result of Operations	-\$57,701		-\$58,773		-\$60,166		-\$61,453		-\$62,616
Earned Income/Op. Exp	65%		66%		66%		67%		67%

**Pompano Beach Visual Arts Center Operating Pro-forma**

<b>Space</b>	<b>Number</b>	<b>Net Area</b>	<b>Rental Period</b>	<b>Artist Rate</b>	<b>Nonprofit Rate</b>	<b>Commercial Rate</b>
Studios	12	1,404	(\$/nsf/year)	\$25	--	--
Lounge/Public Space (2nd Floor)		400		--	--	--
Conference Room		360	2 hours	--	\$70	\$105
Classroom 1		864	2 hours	--	\$120	\$180
Classroom 2		816	2 hours	--	\$100	\$150
Gallery/Shop		1,224	4 hours	--	\$300	\$450
Kiln Room		360		--	--	--
Admin (1st Floor)		340		--	--	--
Admin (2nd Floor)		264		--	--	--
Other Support Space		424		--	--	--
Total Net Square Footage		6,456		--	--	--
Gross Square Footage		11,216		--	--	--

**Pompano Beach Visual Arts Center Operating Pro-forma**

<b>Activity</b>	<b>2013</b>	<b>% Change</b>	<b>2014</b>	<b>% Change</b>	<b>2015</b>	<b>% Change</b>	<b>2016</b>	<b>% Change</b>	<b>2017</b>
<i>Classes</i>									
Number of Programs	15	5%	16	5%	17	5%	17	5%	18
Average Durations (weeks)	12		12						
Average Students/Program	12	3%	12	3%	13	3%	13	3%	14
Average Fee/Student/Program	\$100	3%	103	3%	106	3%	109	3%	113
Teacher Cost - % of Revenue	30%		30%		30%		30%		30%
Overheads - % of Revenue	15%		15%		15%		15%		15%
<i>Workshops</i>									
Number of Programs	12	3%	12	3%	13	3%	13	3%	14
Average Duration (hours)	2		2		2		2		2
Average Students/Program	12	5%	13	3%	13	3%	13	3%	14
Average Fee/Student/Program	\$20	3%	21	3%	21	3%	22	3%	23
Teacher Cost - % of Revenue	30%		30%		30%		30%		30%
Overheads - % of Revenue	15%		15%		15%		15%		15%
<i>Summer Camp</i>									
Number of Programs	1		1		1		1		1
Average Durations (weeks)	4		4		4		4		4
Average Students/Program	30	5%	32	5%	33	5%	35	5%	36
Average Fee/Student/Program	\$300	3%	309	3%	318	3%	328	3%	338
Teacher Cost - % of Revenue	30%		30%		30%		30%		30%
Overheads - % of Revenue	15%		15%		15%		15%		15%
<i>Facility Rental</i>									
	# Annual Rentals								
Conference Room (Nonprofit)	12	3%	12	3%	13	3%	13	3%	14
Conference Room (Commercial)	6	3%	6	3%	6	3%	7	3%	7
Classroom 1 (Nonprofit)	12	3%	12	3%	13	3%	13	3%	14
Classroom 1 (Commercial)	4	3%	4	3%	4	3%	4	3%	5
Classroom 2 (Nonprofit)	12	3%	12	3%	13	3%	13	3%	14
Classroom 2 (Commercial)	4	3%	4	3%	4	3%	4	3%	5
Gallery (Nonprofit)	12	3%	12	3%	13	3%	13	3%	14
Gallery (Commercial)	8	3%	8	3%	8	3%	9	3%	9
	70		72		74		76		79
<i>Gallery Sales</i>									
Retail Sales/nsf/year	\$75	3%	\$77	3%	\$80	3%	\$82	3%	\$84
Commission on Sales	30%		30%		30%		30%		30%
<i>Membership</i>									
Number of Annual Members	40	5%	42	5%	44	5%	46	5%	49
Average Membership Fee	\$50	3%	\$52	3%	\$53	3%	\$55	3%	\$56

**Pompano Beach Visual Arts Center Operating Pro-forma  
Pro-forma Operating Budget**

		2013	% Change	2014	% Change	2015	% Change	2016	% Change	2017
<b>REVENUES</b>										
	Artist Studio Rental Income	\$35,100		\$35,100		\$35,100		\$35,100		\$35,100
	Other Rental Income	\$12,630		\$13,399		\$13,801		\$14,215		\$14,642
	Commission on Items sold	\$27,540		\$28,366		\$29,217		\$30,094		\$30,997
	Program Revenues	\$29,880		\$32,993		\$36,368		\$40,096		\$44,214
	Membership	\$2,000		\$2,163		\$2,339		\$2,530		\$2,736
	<b>Total Revenues</b>	<b>\$107,150</b>		<b>\$112,021</b>		<b>\$116,826</b>		<b>\$122,035</b>		<b>\$127,689</b>
<b>EXPENSES</b>										
FT Personnel	Visual Arts Manager	\$45,000	3%	\$46,350	3%	\$47,741	3%	\$49,173	3%	\$50,648
	Benefits	\$13,500	30%	\$13,905		\$14,322		\$14,752		\$15,194
		\$58,500		\$60,255		\$62,063		\$63,925		\$65,842
PT Personnel	Assistant Manager	\$20,000	3%	\$20,600	3%	\$21,218	3%	\$21,855	3%	\$22,510
	Custodial	\$15,000	3%	\$15,450	3%	\$15,914	3%	\$16,391	3%	\$16,883
	sub-total	\$35,000		\$36,050		\$37,132		\$38,245		\$39,393
	Benefits	\$5,250	15%	\$5,408		\$5,570		\$5,737		\$5,909
		\$40,250		\$41,458		\$42,701		\$43,982		\$45,302
Operations	Program Teachers	\$8,964		\$9,898		\$10,910		\$12,029		\$13,264
	Materials	\$4,482		\$4,949		\$5,455		\$6,014		\$6,632
		\$13,446		\$14,847		\$16,366		\$18,043		\$19,896
Administration	Institutional Promotion/Advertising	\$5,000	3%	\$5,150	3%	\$5,305	3%	\$5,464	3%	\$5,628
	Special Events & Membership	\$15,000	3%	\$15,450	3%	\$15,914	3%	\$16,391	3%	\$16,883
	Printing & Publications	\$2,500	3%	\$2,575	3%	\$2,652	3%	\$2,732	3%	\$2,814
	Insurance	\$5,000	3%	\$5,150	3%	\$5,305	3%	\$5,464	3%	\$5,628
	Office Equipment/Systems	\$2,500	3%	\$2,575	3%	\$2,652	3%	\$2,732	3%	\$2,814
	Office Supplies/Services	\$2,500	3%	\$2,575	3%	\$2,652	3%	\$2,732	3%	\$2,814
	Telephone	\$3,000	3%	\$3,090	3%	\$3,183	3%	\$3,278	3%	\$3,377
	Miscellaneous	\$1,500	3%	\$1,545	3%	\$1,591	3%	\$1,639	3%	\$1,688
	Subtotal	\$37,000		\$38,110		\$39,253		\$40,431		\$41,644
Occupancy	<u>Cost/sf</u>									
	Utilities	\$8,412	3%	\$8,664	3%	\$8,924	3%	\$9,192	3%	\$9,468
	Repairs	\$2,243	3%	\$2,310	3%	\$2,380	3%	\$2,451	3%	\$2,525
	Trash Hauling	\$1,500	3%	\$1,545	3%	\$1,591	3%	\$1,639	3%	\$1,688
	Cleaning/Building Supplies	\$2,500	3%	\$2,575	3%	\$2,652	3%	\$2,732	3%	\$2,814
	Miscellaneous	\$1,000	3%	\$1,030	3%	\$1,061	3%	\$1,093	3%	\$1,126
	Subtotal	\$15,655		\$16,125		\$16,609		\$17,107		\$17,620
	<b>Total Expenses</b>	<b>\$164,851</b>		<b>\$170,794</b>		<b>\$176,991</b>		<b>\$183,488</b>		<b>\$190,304</b>
	<b>Annual Funding Requirement</b>	<b>-\$57,701</b>		<b>-\$58,773</b>		<b>-\$60,166</b>		<b>-\$61,453</b>		<b>-\$62,616</b>
	<b>% of Budget Covered by Earned Income</b>	<b>65%</b>		<b>66%</b>		<b>66%</b>		<b>67%</b>		<b>67%</b>