Hanover Park

Village of Hanover Park
Administration

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VILLAGE OF HANOVER PARK

VILLAGE BOARD
REGULAR WORKSHOP MEETING

Municipal Building: 2121 W. Lake Street
Hanover Park, IL 60133

Thursday, December 5, 2013
6:00 p.m.

AGENDA

1. **CALL TO ORDER-ROLL CALL**
2. **ACCEPTANCE OF AGENDA**
3. **REGULAR BOARD MEETING AGENDA ITEM REVIEW**
4. **DISCUSSION ITEMS**
   a. Hanover Square Façade Presentation
5. **STAFF UPDATES**
6. **NEW BUSINESS**
7. **ADJOURNMENT**

Village of Hanover Park **AGENDA MEMORANDUM**

TO: **Village President and Board of Trustees**

FROM: Juliana Maller, Village Manager
Shubhra Govind, Community & Economic Development Director
Katie Bowman, Village Planner

SUBJECT: **Hanover Square Façade Investment Analysis**

ACTION REQUESTED: ☒ Approval ☐ Concurrence ☐ Discussion ☐ Information

MEETING DATE: **December 5, 2013 – Board Workshop**

Executive Summary

As directed at the Board Workshop of October 3, 2013, staff has prepared an analysis of the impact of the proposed façade improvements to the Hanover Square Shopping Center. As a part of this analysis, staff looked at the potential return on investment (ROI) in façade work, and the impact that this investment would have on the Village's involvement in the center and future projects within TIF 3. Analysis shows that the improved image that the façade will bring will work towards goals for the center, TIF 3 Village Center area, and the Village overall. It also shows that the proposed $1,500,000 investment in the center will have limited financial returns on investment in the short-term and limit the ability of TIF 3 to incentivize other development throughout the Village Center area.

Background

As the owner of the Hanover Square Shopping Center, the Village has developed plans for improvements to the building façade. The goal of this work is to improve the appearance, marketability, and value of the Hanover Square Shopping Center and the surrounding TIF 3 Village Center area. The Hanover Square operating account does not have sufficient funds to cover the cost of facade improvements. However, such costs may be borrowed and paid back utilizing TIF 3 funds. Based upon evaluation, a construction type loan for $1,500,000 with payments of approximately $335,000 per year for 6 years is being considered.

Prior to beginning the façade improvement project, an evaluation of return on investment and impact of such improvements has been performed. The gain from a property investment may be evaluated in various ways, including the increase in income and the increase in property value. Projecting the exact gains that will come from an investment ahead of time is difficult and requires in-depth professional analysis. For the purposes of this discussion, a high-level analysis has been performed by staff, taking a number of assumptions into account. Note that actual outcomes will be subject to market conditions.

Agreement Name: ______

Executed By: ______ REV 1/17/2013 2:27 PM

Return on investment is calculated in order to measure the rate at which the money invested in a project is regained by that project. ROI analysis is common in business and real estate and assists in determining whether a project will generate sufficient returns to warrant an investment. The speed at which a project recovers its investment and the increase in value that an investment brings are also considered.

Return on investment considers net gain from an investment after expenses, or

ROI = Gain from Investment / Cost of Investment

Evaluating the return on investment will help the Village to better understand the financial impact of the façade project and better plan for both the management and marketing of the center, and TIF 3 overall.

Discussion

Evaluation of the return on the Village's $1,500,000 investment in the Hanover Square façade may be approached from two perspectives; as the owner of the shopping center and as the Village overall.

CENTER-SPECIFIC ROI

- **Increase in Income**

  A key goal of the new façade is to increase the income of the center by raising the rental rate and decreasing the time to rent out spaces. While it is expected that an improved façade will increase interest in the center, tenants locate in shopping centers for a variety of reasons, including market demand, demographics, cotenants, appearance, and most importantly, location and access to a space. Additionally, there are a number of market conditions that will limit increases in rent, including:

  - Slow and conservative retail expansion following recession
  - Decreased demand for retail spaces due to the impact of internet commerce
  - High Vacancy rate in surrounding area
  - Limitations of Hanover Square location, being off of a main intersection and not surrounded by other retail

  These conditions mean that quality spaces are generally available at better locations at low rates in the area. Tenants will typically consider these spaces first, unless rents at Hanover Square are lower.

  For these reasons, it is difficult to project the exact financial impact of such improvements. At this time, some basic assumptions have been made in order to illustrate the impact that façade improvement could have on increased rental income at the center.

The table below outlines potential increases in income at the center utilizing the following assumptions:

- Current Average Rent Rate: $12.40/sf gross*
- Goal Rent Rate: $18.50/sf gross**
- A four year lease-up period in the following manner:
    - Year 1: Education & Work Center: ± 10,000 sf at $12/sf gross
      Space 6622: 3,600 sf at $9.75/sf gross
    - Year 2: Spaces 6616-6618: 5,030 sf at $13.50/sf gross
    - Year 3: Portion of Space 6664: 20,000 sf at $10.00/sf gross***
    - Year 4: Portion of Space 6664: ± 17,310 sf at $15.00/sf gross

* Gross rent includes tenant's share of common area maintenance and taxes, which is approximately $4.50/sf in 2013.
** Goal net rent is following façade improvements, as estimated by Leasing Agents based upon local market analysis. However, such increase in rent will be limited by market factors and lower estimations are utilized to account for market uncertainties.
*** Note that rental rate for larger spaces is typically lower based upon market conditions.

Based upon these assumptions, it is estimated that it will take a minimum of 6 years for the $1,500,000 investment in the façade to be recovered through increased income at the center. However, if the Education & Work Center does not open during the next year, these assumptions will change. Under that scenario, it will likely take over 7 years to gain a return on the investment.

	Square Feet	**Gross** Rent/SF	Year 1	**Yearly New Rent** Year 2	Year 3	Year 4	Year 5	Year 6
Ed & Work Center	10,000	$12.0	$120,000	$120,000	$120,000	$120,000	$123,600	$123,600
Phase 1 6622	3,600	$9.8	$35,100	$35,100	$36,000	$36,900	$37,800	$37,800
Phase 2 6616-6618	5,030	$13.5		$67,905	$67,905.0	$67,905	$69,942	$69,942
Phase 3 6664	20,000	$10.0			$200,000	$200,000	$200,000	$206,000
Phase 4 6664	17,310	$15.0				$259,650	$259,650	$267,440
Gross New Rent			$155,100	$223,005	$423,905	$684,455	$690,992	$704,782
Common Area Maint		$4.5	$61,200	$83,835	$173,835	$251,730	$259,282	$259,282
Net Increase in Rent			$93,900	$139,170	$250,070	$432,725	$431,710	$445,500
Cumulative Increase in Rent			**$93,900**	**$233,070**	**$483,140**	**$915,865**	**$1,347,575**	**$1,793,075**

- **Increase in Property Value**

Another goal of investment in the façade is to increase the property value and sale price of the center. The value of real estate is calculated in various ways. For the purpose of this discussion, an income based approach is utilized. In this approach, value is based on the amount of time required to recover the full purchasing cost of the property through the net operating income of a center, or capitalization rate. Real estate investors look to recover the purchasing cost of a center within standard time frames based upon the condition, or class, of a center and local real estate market. In this way, the projected sale price of a center may be calculated as:

Net Operating Income = Total Income – Total Expenses

Projected Sale Price = Net Operating Income / Capitalization Rate

The table below outlines projected income and expenses for the center utilizing assumptions listed above. Income from a center is mainly from rental rates and expenses include such operating costs as utilities, taxes, maintenance costs, and property management services. These calculations include an estimated 3% yearly increase in expenses and a 3% increase in rental rates beginning in Year 5, which is common in leases. The projected sale price at each year is then calculated utilizing the formula above. The standard capitalization rate of 10.5% for the Chicago region for Class C centers is used (CBRE, 2/2013).

Based upon these assumptions, it is estimated that it will take four years for the total investment in the center to date, including $406,705 in capital expenditures and $1.5 million for the façade, to be recovered by a comparable increase in projected value of the center ($2,800,000 + $406,705 + $1,500,000 = $4,706,705). Note that based on market conditions, a center may not sell for its projected income-based value. See Financial Summary of Hanover Square Fund for summary of expenditures and revenues to date.

Income Based Valuation									
				Yearly Total Rent (existing and new tenants)					
	Square Feet	**Gross** Rent/SF	Current	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Existing Tenants	58,230	$12.4	$722,052	$722,052	$722,052	$722,052	$722,052	$743,714	$743,714
Ed & Work Center	10,000	$12.0		$120,000	$120,000	$120,000	$120,000	$123,600	$123,600
Phase 1 6622	3,600	$9.8		$35,280	$35,280	$36,000	$36,900	$37,800	$37,800
Phase 2 6616-6618	5,030	$13.5			$67,905	$67,905	$67,905	$69,942	$69,942
Phase 3 6664	20,000	$10.0				$200,000	$200,000	$200,000	$206,000
Phase 4 6664	17,310	$15.0					$259,650	$259,650	$267,440
Total Annual Income			$722,052	$877,332	$945,237	$1,145,957	$1,406,507	$1,434,706	$1,448,495
Total Annual Expenses			$677,442	$697,765	$718,698	$740,259	$762,467	$785,341	$808,901
Annual Net Operating Income/			$44,610	$179,567	$226,539	$405,698	$644,040	$649,365	$639,594
Capitalization Rate: 10.5%									
Estimated Property Value			**$424,857**	**$1,710,159**	**$2,157,512**	**$3,863,789**	**$6,133,715**	**$6,184,426**	**$6,091,372**

- **Additional Returns**

In addition to realizing financial return on investment, there are several other goals of the façade improvement, which are difficult to measure in exact terms, including:

- Repositioning of Center
- Improve the appearance / image of the center
- Invest in the Village Center area
- Attract additional shoppers
- Bring in new tenants (increased rental rate)
- Bring tenants quicker (increased absorption rate)
- Bring higher rents for new tenants
- Retain existing tenants

VILLAGE-WIDE ROI

The proposed project and investment may also be evaluated according to the criteria outlined in the Village's policy on economic development incentives, specifically:

- That there is a demonstrable quantitative and qualitative return on the Village's investment to be realized during a reasonable period of time after granting of the incentive (such as through increased sales and property tax)
- That the Village's participation in the incentive agreement is necessary to assure the feasibility of the business to expand or develop within Hanover Park (financing gap)
- That the business concept and operations are sustainable in the long-term and able to operate without assistance following the conclusion of the incentive
- Only TIF increment from that property is usually considered for allocation to incentive for that property/project

The amount of incentive provided is also based on the extent to which the following conditions are obtained:

- Increase sales tax receipts
- Improve the property tax base
- Help the Village to remain economically viable and competitive with surrounding communities
- Attract additional businesses or development to the Village
- Provide additional goods and services to Hanover Park residents
- Protect or increase the revenue base of the Village

The extent to which the façade investment will meet these goals has not been fully calculated. However, it is expected that the project will work towards them.

Strategic Impacts of Investment

✓ TIF 3 Finances - Staff has also performed analysis of the impact that a $1,500,000 loan for façade improvements would have on TIF 3. The $335,000 annual payments for such a loan would obligate a significant proportion of the TIF 3 fund. TIF 3 is expected to generate approximately $1.35 million in incremental property taxes in FY14. A total of $1.8 million in expenses are budgeted for FY14, including existing redevelopment agreement obligations and white box buildouts in Hanover Square but not façade improvements.

Based upon Village projections, TIF 3 will generate $10.8 million in revenues over the remaining 10 years of the TIF (through 2024). Of that, $6.2 million will be obligated to expenditures (including façade project and existing redevelopment agreements). Under this scenario, approximately $4.6 million will be available for projects in TIF 3 for the remaining life of the TIF. As is described further below, a large proportion of these funds may need to be utilized for additional improvements at Hanover Square.

With such a significant portion of the TIF obligated to Hanover Square, it would limit TIF 3's ability to assist with other redevelopment agreements for future development in the area. In particular, it would limit the TIF's ability to provide upfront financing for redevelopment of the properties along the north side of Lake Street, at which development interest continues to increase. Unlike redevelopment agreements in which incremental property taxes generated from a property are used to reimburse the owner of that property: if obligated, incremental property taxes from the whole TIF would be required to first pay for improvements at Hanover Square before being available for future development of other properties (see TIF 3 projections attached).

- ✓ Sale of Center - Additionally, the investment in improvement of the façade will have impacts upon the future sale of the center. While the investment in a façade will not necessarily limit the Village's ability to sell the property, the Village will remain obligated to repay the $1,500,000 loan. Proceeds from a sale may be utilized to make these payments; however any expenses not recovered in a sale will need to be paid from the overall TIF account, or the General Fund if the TIF account cannot cover such costs.

- ✓ Buyers of Center - Another impact will be on the type of buyers and businesses that are interested in the center. At this time, the center is considered a value-add property in which a buyer has the opportunity to purchase at a lower cost, make improvements to add value, and gain from selling at a higher cost. After façade improvements are made, the center will function more as an income-generating property that provides the buyer value through annual income. As the purchase value will be based on actual tenant income rather than potential future gain, tenant spaces will need to be leased prior to sale in order to recover the investment.

- ✓ Additional Improvements Needed - Staff would also like to note that, in addition to façade improvements, additional large capital improvements are needed at the property. These include buildout of white box spaces; parking lot repaving and restriping; new interior sidewalks, curbs, and gutters; parking lot lighting; and landscape improvements. As new tenants lease spaces, these improvements will be required in order to meet ADA and building codes. The current operating budget of the center will not cover these costs and as such, additional funds may need to be taken from TIF 3 and borrowed if the Village continues to own the center. These improvements are significant capital investments required for centers in the long-term and the impact upon increase in value may be negligible in the short-term. A summary of potential improvements is below:

Hanover Square Capital Improvements

Capital Costs	Units	Cost/Unit	Total	Investment So Far	Future Investment
Building Redevelopment					
Façade Renovation	1,080	$1,389/lin ft	$1,500,000		$1,500,000
Roof Replacement/Re-cover - main bld	38,325	$10/sq ft	$383,250	$280,000	$126,250
Roof Re-cover	37,925	$4-$6/sq ft	$210,190	$24,640	$185,550
HVAC Replacement/Repair Allowance	1	n/a	$150,000	$29,000	$121,000
White Box Buildouts	54,285	$40/sq ft	$2,171,400		$2,171,400
Building Contingency	113,000	$5/sq ft	$565,000		$565,000
Total Building Capital Costs			**$4,979,840**	**$333,640**	**$4,669,200**
Site Redevelopment					
Monument Sign & Assoc Electrical	1	n/a	$62,780	$62,780	
New Water Line - Taqueria	1	n/a	$10,285	$10,285	
Repave Parking Lot (mill & overlay)	27,075	$15/sq yd	$406,125		$406,125
Re-stripe Parking Lot	435	$13.74/space	$5,981		$5,981
Curb & Gutter	7,500	$18/lin ft	$135,000		$135,000
Sidewalk Replacement & ADA Ramps	1	n/a	$50,000		$50,000
Landscaping Allowance	1	n/a	$75,000		$75,000
Parking Lot Lighting	10	$5,000/pole	$50,000		$50,000
Plans & Construction Mgmt Fees	1	15% costs	$93,316		$93,316
Total Site Redevelopment Costs			**$888,487**	**$73,065**	**$690,422**
Total Capital Costs			**$5,868,327**	**$406,705**	**$5,359,622**
Original Purchase of Center			$2,800,000	$2,800,000	
Projected Gross Investment			**$8,668,327**	**$3,206,705**	**$8,159,622**

Evaluation

It is clear that improvement of the façade at Hanover Square will make the center more attractive to residents and tenants. How these improvements translate into increased rents and property value is more unclear. The high level of uncertainty and low rate of growth in the retail and real estate markets limits the certainty of projected rental rates and property values. While the cost of improvements may be recovered within 4 – 6 years under a positive scenario, additional improvements will be needed to the center over the coming years.

Analysis shows that improvement of the façade will generally work towards goals for the center, TIF 3 Village Center area, and Village overall; however, the proposed $1,500,000 investment in the center will have limited financial returns on investment in the short term and will limit the ability of TIF 3 to incentivize other development throughout the Village Center area. If the Board finds these projected returns to meet their expectations, it is requested that they direct Staff regarding next steps

Next Steps

Overall, the process for planning of façade work includes:
(Additional steps taken since last discussion are in bold)

- ✓ Obtain a Construction Management firm to help develop and manage façade project
- ✓ Obtain an Architect to develop proposed designs for center
- ✓ Obtain preliminary estimates of financing options
- ✓ Architect conducted structural analysis of building to determine most cost effective way to approach renovations
- ✓ Work with Architect to develop preliminary design options
- ✓ Work with Construction Manager to develop cost estimates for improvements
- ✓ Work with Construction Manager and Architect to develop color elevations for review
- ✓ Provide further information on costs and timeframe to banks to gain updated financing options
- ✓ Work with Construction Manager and Architect to develop final elevations
- ✓ Evaluate financing options
- ✓ Evaluate impact of financing on TIF and Village finances
- ✓ **Evaluate potential return on investment of financed improvements**
- ✓ **Evaluate impact of financing on Village's involvement in the center**
- ✓ **Present evaluation to Village Board for review and direction**
- o Prepare contract for Construction Manager to perform façade improvements
- o Village Board review and approve contract
- o Establish financing agreement with financial institution
- o Construction design and bidding work begins, project proceeds according to established timeline with goal of construction start in spring 2014.

Recommended Action

Review financial and other analysis associated with proposed façade improvements to the Hanover Square Shopping Center and direct Staff regarding next steps.

Attachments: Exhibit 1 – Façade Cost Estimate Summary
Exhibit 2 – TIF 3 Projections
Exhibit 3 – Financial Summary of Hanover Square Fund

Budgeted Item:	____ Yes __X__ No
Budgeted Amount:	$ 0
Actual Cost:	$ 1,500,000
Account Number:	033-0000-465-13.21

DRAFT Hanover Square Façade Costs 1,080 Lineal Feet
Estimate as of 7/23/13

OPTION 1 - PARTIAL RENOVATION

<u>Construction Costs</u>	
Base Budget	$905,953
Reface EIFS Band	$10,500
Replace standing seam roofing at reuse areas	$45,936
Add recessed can lights and access panels in soffit	$40,741
Subtotal	**$1,003,130**
Main building doors & windows	$189,609
Option 1 - Main Bld	**$1,192,739**
Outlot Building	
Base Budget	$78,089
Paint existing standing seam equip screen on roof	$3,281
Subtotal	**$81,370**
Outlot windows and doors	$38,088
Total	**$119,458**
TOTAL OPTION 1 + OUTLOT w/ windows & doors	**$1,312,197**
<u>Construction Administration Costs</u>	
Structural Engineer	$7,480
Electrical Engineer	$2,200
Architectural Drawings	$27,500
Subtotal Design	**$37,180**
Preconstruction Administration (ICSI)	$10,000
ICSI Fee (9%)	$4,246
Total Construction Administration	**$51,426**
<u>Insurance and Bonding</u>	
Builders Risk Insurance	$1,000
Performance & Payment Bond (CM)	$16,500
Subcontractor Perf & Payment Bond (1-2%)	$30,000
Total Insurance & Bonding	**$47,500**
TOTAL OPTION 1 + DESIGN & ADMINISTRATION	**$1,411,123**

VILLAGE OF HANOVER PARK, ILLINOIS
Projection through the end of TIF #3

Fund 033 - Tax Increment Financing #3 Fund

Description	Inception (2002) to 2011 Actual	2011-2012 Actual	2012-2013 Actual	**2013-2014 Projected**	2014-2015 Projected	2015-2016 Projected	2016-2017 Projected	2017-2018 Projected	2018-2019 Projected	2019-2020 Projected	2020-2021 Projected	2021-2022 Projected	2022-2023 Projected	2023-2024 Projected
Revenues and Other Financing Sources														
Property Taxes	$ 4,339,392	$ 967,250	$ 1,730,410	**$ 1,100,000**	$ 1,000,000	$ 900,000	$ 900,000	$ 900,000	$ 900,000	$ 900,000	$ 918,000	$ 936,360	$ 955,087	$ 974,189
Investment Income	189,538	6,055	1,113	**1,113**	1,113	1,135	1,158	1,181	1,205	1,229	1,253	1,278	1,304	1,330
Developer revenue	75,000													
Miscellaneous	20,934													
Proceeds from Bonds					1,500,000									
Transfer from General	226,227	-	-	**-**	-	-	-	-	-	-	-	-	-	-
Total Revenues and Other Financing Sources	4,851,091	973,305	1,731,523	**1,101,113**	2,501,113	901,135	901,158	901,181	901,205	901,229	919,253	937,638	956,391	975,519
Expenditures and Other Financing Uses														
TIF Redevelopment Agreement	174,637	34,761												
ARF	-	-	38,916	**40,000**	40,000	40,800	41,616	42,448	43,297	20,987				
Suburban Tire	-	-	68,175	**-**	-	-	-	-	-	-	-	-	-	-
NuCare	-	-	242,037	**65,000**	130,000	130,000	130,000	200,000	260,000	42,963	-	-	-	-
Total Redevelop Agreements	174,637	34,761	349,128	**105,000**	170,000	170,800	171,616	242,448	303,297	63,950	-	-	-	-
Personal Services	40,015	34,735	102,409	**-**	-	-	-	-	-	-	-	-	-	-
Contractual Services	500,867	278,264	94,491	**145,000**	149,350	149,350	149,350	149,350	149,350	149,350	149,350	149,350	149,350	149,350
Capital Outlay	350,149	-	120,951	**1,500,000**	1,500,000	-	-	-	-	-	-	-	-	-
Debt Service	-				214,896	335,292	335,292	335,292	335,292	335,292	167,646			
Transfers out	1,134,398	2,800,000	-	**-**	-	-	-	-	-	-	-	-	-	-
Total Expenditures and Other Financing Uses	2,200,066	3,147,760	666,979	**1,750,000**	2,034,246	655,442	656,258	727,090	787,939	548,592	316,996	149,350	149,350	149,350
Net Change in Fund Balance	2,651,025	(2,174,455)	1,064,544	**(648,887)**	466,867	245,693	244,900	174,091	113,265	352,637	602,257	788,288	807,041	826,169
Beginning Fund Balance	-	2,651,025	476,570	**1,541,114**	892,227	1,359,094	1,604,787	1,849,687	2,023,778	2,137,043	2,489,680	3,091,937	3,880,226	4,687,267
Ending Fund Balance	$ 2,651,025	$ 476,570	$ 1,541,114	**$ 892,227**	$ 1,359,094	$ 1,604,787	$ 1,849,687	$ 2,023,778	$ 2,137,043	$ 2,489,680	$ 3,091,937	$ 3,880,226	$ 4,687,267	$ 5,513,436

Note: Projections were performed with an April 30th year end.

Capital Outlay for FY '14 includes $1,000,000 for white box work and $500,000 for Hanover Square's Roof Repair. For FY'15 capital outlay includes the façade work

Financial Summary of Hanover Square Fund as of September 30, 2013

Account	Description	FY12 Actual	FY13 Actual	FY14 To Date	Since Purchase
Balance Sheet					
	Cash & Investments	$308,966	$120,336	$130,855	
	Accounts Recievable	$21,806		$0	
	Capital Asset (Land & Building)	$2,792,461	$2,792,798	$3,123,351	
Total Assets		$3,123,233	$2,913,134	$3,254,206	
	Accounts Payable	$60,075		$23,436	
	RE Taxes Payable	$241,235	$280,643	$314,795	
	Deposits Payable	$15,818	$18,698	$19,506	
Total Liabilities		$317,128	$299,341	$357,737	
	Restricted for Capital Assets		$2,792,462	$3,123,351	
	Available Fund Balance		-$179,005	-$226,882	
Total Fund Balance		**$2,806,105**	**$2,613,457**	**$2,896,469**	
Revenues and Other Financing Sources					
385.00-00	Rental Income	$236,916	$617,271	$272,686	$1,126,873
385.01-00	CAM Income		$33,563	$18,824	$52,387
385.04-00	Late Fees		$575	$204	$779
380-04-00	Reimbursed Expenses (insurance)		$22,665		$22,665
361.00-00	Interest Income		$307	$61	$368
Total Rental Income		**$236,916**	**$674,381**	**$291,775**	**$1,203,072**
Expenditures and Other Financing Uses					
2-11	Office Supplies	$242	$145		$387
3-13	Utilities - Electricity	$12,351	$28,193	$5,483	$46,027
3-16	Property Taxes	$118,598	$365,446	$174,886	$658,930
3-34	M&R Building	$41,318	$76,174	$33,148	$150,640
3-36	Maintenance Agreements	$38,063	$82,070	$32,854	$152,987
3-61	Consulting Services	$12,700	$59,614	$15,913	$88,227
3-62	Capital Outlay		$255,534	$154	$255,688
3-93	Depreciation	$7,539		$0	$7,539
Total Operating Services		**$230,811**	**$867,176**	**$262,438**	**$1,360,425**
	Income (loss)	**$6,105**	**($192,795)**	**$29,337**	**($157,353)**