

Arbor Plaza Office Building Discussion

February 10, 2026



Recap: Office Space Needs

Police:	9,892 SF
Parks & Rec:	12,000 SF
Arts Guild:	7,816 SF
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Total:	29,702 SF

Office Space Alternative: Arbor Plaza Office Building



- Built 2008
- Currently built out as 14 separate suites
- 66,153 SF
 - 52,309 leased
 - 13,844 vacant / available



Arbor Plaza Building: Transaction Details and Timing

Purchase Price:	\$12,000,000
Earnest Money:	\$100,000
Bond Parameters Resolution Vote:	January 20, 2026
City Council Discussion:	February 10, 2026
Final Vote on Purchase:	February 17, 2026
Due Diligence Deadline:	February 19, 2026
Close on bonds:	February 26, 2026
Closing:	March 2, 2026

Due Diligence Summary

- Evaluated:
 - Rent roll
 - Leases
 - Seller disclosures
 - Building inspection
 - Operating statements
 - Parking lease
 - Title commitment
 - Bond arrangements
 - Management plan
 - Operating budget
- In Progress:
 - Building repairs
 - Tenant estoppels
 - Tenant interviews
 - Management contract
 - City department use
 - City Council / RDA Approval

Operating Budget

		2026 Budget	Notes
5000-0000	REVENUES		
5010-0000	Rent		
5010-1000	Full Service Rent	1,326,531.48	Based on Rent Roll
5020-0000	CAM	2,003.02	2025 + 3%
5030-0000	Annual CAM Reconciliation	0.00	
5030-1000	FS Annual OpEx Reconciliation	0.00	
5150-0000	Late Charges	0.00	
5999-0000	TOTAL REVENUES	1,328,534.50	
5999-9999	PROPERTY AND ADMINISTRATIVE EXPENSES		
6700-0000	FULL SERVICE PROPERTY EXPENSES		
6700-0001	FS Recoverable RE Taxes	120,926.12	2025 Amount + 3%
6700-1000	FS Recoverable Insurance	41,826.24	2025 Amount + 3%
6700-1010	FS Repair/Maint	21,043.79	3 yr avg + 3%
6702-0000	FS HVAC R&M	21,656.07	3 yr avg + 3%
6703-0000	FS Fire/Sprinkler/Alarm R&M	2,694.28	3 yr avg + 3%
6704-0000	FS Lighting R&M	5,714.78	3 yr avg + 3%
6705-0000	FS Plumbing R&M	2,600.24	3 yr avg + 3%
6706-0000	FS Roofing R&M	500.00	Estimate
6707-0000	FS Landscaping R&M	12,026.83	3 yr avg + 3%
6709-0000	FS Pest Control R&M	1,096.95	2025 Amount + 3%
6715-0000	FS Elevator R&M	9,228.12	3 yr avg + 3%
6730-0000	FS Janitorial Services	66,797.40	3 yr avg + 3%
6730-0001	FS Janitorial Services-Tenant	0.00	NA
6752-0000	FS Electric	83,051.66	3 yr avg + 3%
6753-0000	FS Water	3,121.56	3 yr avg + 3%
6754-0000	FS Street Lights	294.66	3 yr avg + 3%
6755-0000	FS Trash	3,292.02	3 yr avg + 3%
6756-0000	FS Natural Gas	50,650.73	3 yr avg + 3%
6758-0000	FS Sewer	1,157.60	3 yr avg + 3%
6761-0000	FS Telephone/Comms	773.24	3 yr avg + 3%
6770-0000	FS Parking Lot	22,456.56	3 yr avg + 3%
6771-0000	FS Snow Removal	1,978.80	3 yr avg + 3%
6775-0000	FS Property Management Fee	39,856.04	3% of Gross Rents
6795-0000	TOTAL FULL SERVICE PROPERTY EXPENSES	512,743.70	
6800-0000	NON-RECOVERABLE EXPENSES		
6900-0000	TOTAL NON-RECOVERABLE EXPENSES	3,000.00	
8900-0000	TOTAL PROPERTY AND ADMINISTRATIVE EXPENSES	515,743.70	
9000-0000	EBITDAM	812,790.80	

Source of Funds / Debt Service Model

Arbor Building: Budget and Management

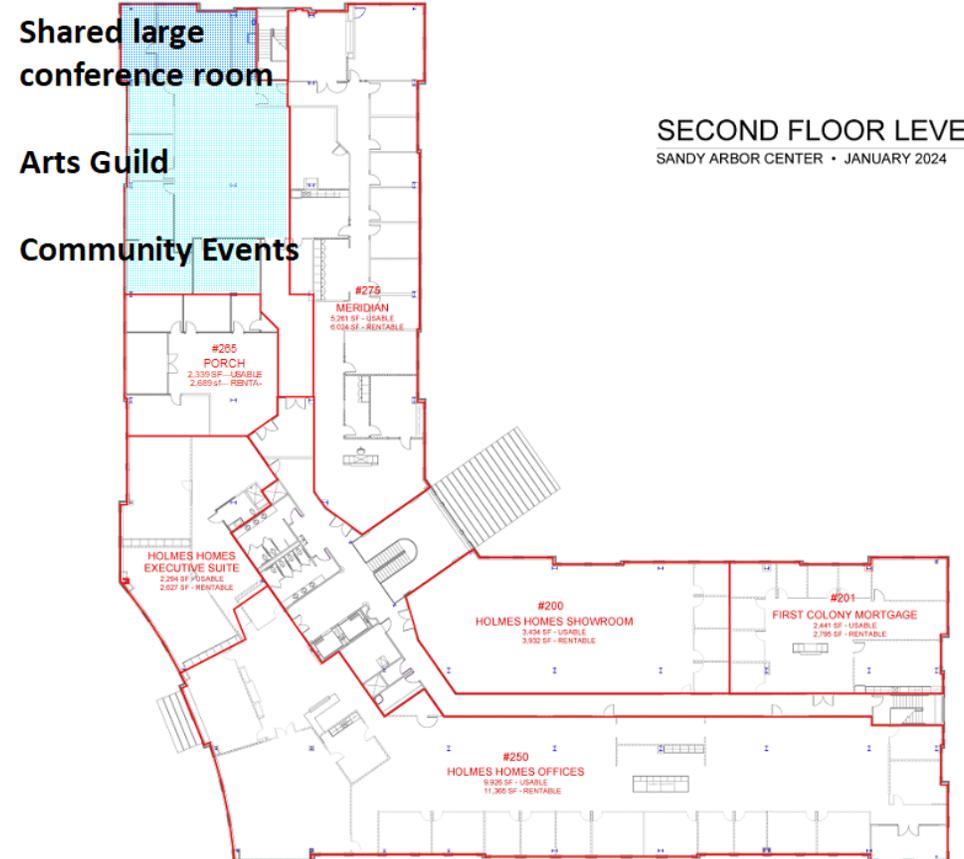
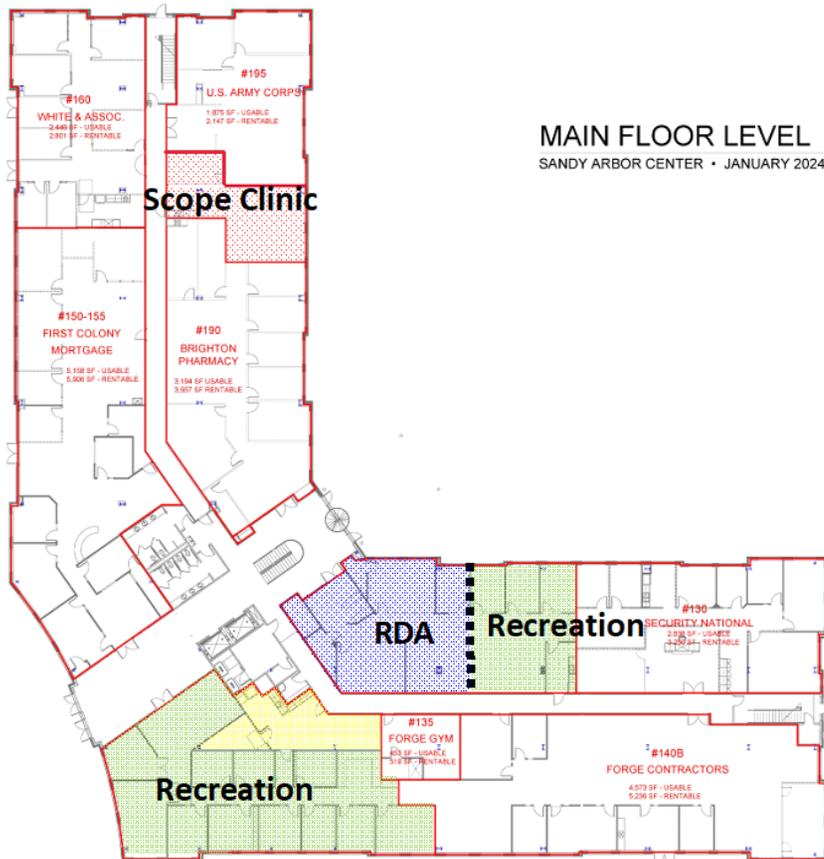
Backstop Alternatives (worst-case scenario)

1. Accrued fund balance
2. Reserves
3. RDA / General Fund
4. Sell building

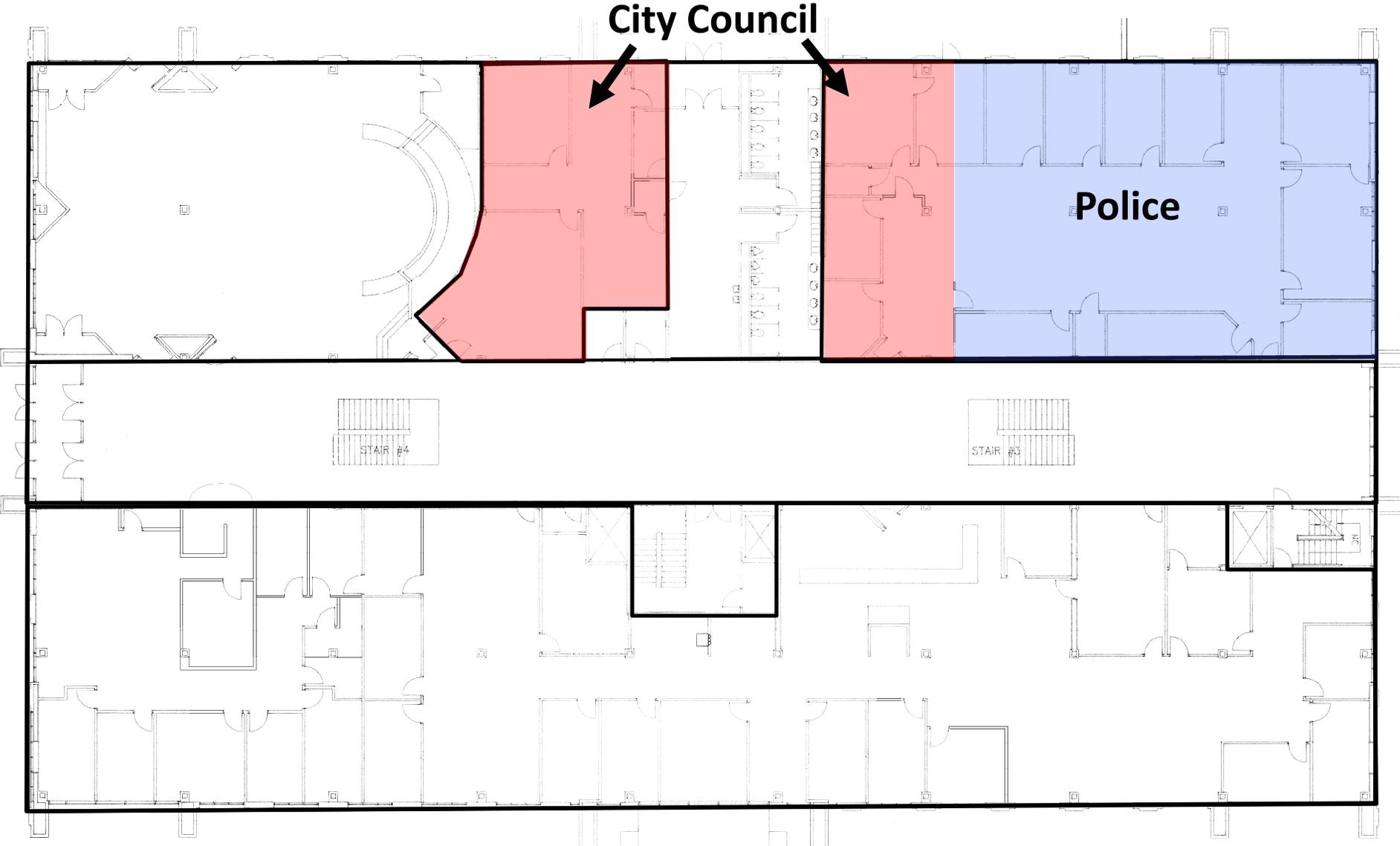
Facility Management

1. Maintenance
2. Professional management
3. City departments (13,733 SF available)
4. Tenant relationships
5. Funding
6. Reporting

Arbor Building: City Department Use Alternative



City Hall Second Floor: City Department Use Alternative



- Public Utilities (4,164 SF moves to facility on 150 East)

City Council Considerations

Advantages

1. City campus
2. Timing
3. Funding
4. Flexibility
5. Market appreciation / growth
6. No general fund contribution (RDA and Lease Revenue)

Questions

1. Market risk
2. Tenant risk
3. Tenant improvements, lease commissions, etc.
4. Capital improvements
5. Suitability of office space for specific departments