

MEMORANDUM

To: Board of Commissioners

From: Lawrence Blood, District Manager

Subject: Physical Condition of Yacht Club

The purpose of this memorandum is to report the general impressions and opinions of professional consultants concerning the overall condition of the Yacht Club Building. Water and electrical services to the building are currently disconnected which limited the scope of the inspections. The goal was to ascertain an overall condition to aid HISID Board of Commissioner's in their decision making concerning future plans for the building / site. Minor defects or shortcomings were not considered as part of the overall general condition. The consultants are providing their opinions based on either firsthand knowledge or visual inspections and make no warranties as to the actual condition of the property.

HISID management rates the overall condition of the building as "Fair to Good". The Fair to Good condition is based on the input from the following consultants:

Area	Consultant	General Condition	Notes
General Structural Elements	Design Builders	Good	No problem noted
Exterior Deck	HISID	Good	Cleaning and minor repairs needed
Exterior Siding	Design Builders	Poor	Siding needs complete replacement. Estimated cost is \$17,265 labor and material (see attached quote)
Roof	Design Builders	Unknown	Potential problems. Needs additional investigation
Interior	HISID	Fair	Dated Interior, minor water damage on ceiling, and soft spots in floor
Electrical	Hayes Electric	Good	Overall good condition. Possible voltage irregularity
Heating and Air	Island Airco	Fair to Good	Dated equipment that has had minimal maintenance completed (unable to assess further without power). Assumed to be suitable if building is mothballed but recommends replacement if building is returned to continuous use.
Plumbing	HISID	Good	Provide that old marina restrooms are decommissioned.
Pest Control	HISID	Good	Property is routinely treated for insects. Evidence of prior rodent damage.

The disposition of the building will be based on a number of considerations, including: a determination of best or prospective uses for the property, the upfront and annual O&M costs to return the structure to a usable condition, cost to mothball property, or cost of demolition. To aid the Board in this determination, the following information is provided:

Year	Description	Initial Book Value	Depreciation Term (Years)	Annual Depreciation	Current Book Value
1998	Initial Book Value of building	\$50,000	40	\$1,250	\$28,437
1999	Added Value from interior updates	\$22,405	40	\$560	\$13,163
2012	Added Value from new roof	\$8,500	15	\$567	\$5,665
	Total	\$80,905		\$2,377	\$47,265

- Purchased in 1998 the YC plus approximately 5 acres for \$351,512.
- HISID insures the YC building for \$132,718 replacement value.
- Current net book value (after depreciation) is \$47,265. See chart above.
- The county 2015 assessed value (20%) of the YC building, including 1.84 acres is \$36,932. HISID pays \$1,777.54 in property tax. (note: 2016=\$39,528 and 2017=\$41,760)
- The county 2015 assessed value (20%) on the remaining 3.51 acres is \$2,000 and we pay \$96.26 in property tax.
- The full county 2016 assessed value r is \$27,600 for the 1.84 acres of property and \$181,200 for the YC building. Total \$208,800 market value.