



# **CAMBRIAN SCHOOL DISTRICT**

**Metzler A**

March 18, 2021

# CAMBRIAN SCHOOL DISTRICT

## METZLER A

Ground Lease Agreement:  
Silverado Memory Care



# HISTORY

## **August 15, 2019**

- ❖ Terra presents to Board options to consider
- ❖ Recommendation to lease the land to medical/senior project or for a multifamily development
- ❖ Land value estimate \$4.1M
- ❖ Potential annual Ground Lease = \$206K

## **February 6, 2020**

- ❖ Terra presents to Board an updated analysis/assessment from the Board recommendation for a senior project
- ❖ Land value estimate \$4.5 - \$5.0M
- ❖ Potential annual Ground Lease = \$225 - \$250K

<b>Issued RFP for a Senior Project</b>	<b>May 27, 2020</b>
<b>Response by Silverado Memory Care, Inc.</b>	<b>September 1, 2020</b>
<b>Signed Letter of Intent/Final</b>	<b>January 14, 2021</b>
<b>Final Ground Lease presented to Board</b>	<b>March 18, 2021</b>
<b>Due Diligence thru close of escrow (est)</b>	<b>December 31, 2022</b>

# ECONOMICS

**Ground Lease Rent\* based on a 5% return – land valued @ \$59/sf**

**Years 1 - 3                      \$112,500**

**Years 4 - 10                    \$225,000**

**Years 11 - 16                  \$247,500**

**Years 17 - 24                  \$282,150**

**Years 25 - 29                  \$321,650**

**Years 30, 60 & 90    Fair Market Value reset with a 14% increase every 7 years**

# ADDITIONAL FEATURES

- **Approximately 6,000 sf area of land will be retained by CSD for a Community Garden**
- **Silverado, in addition to constructing their facilities will also fund construction of the Community Garden**
- **Silverado will be responsible for all of their operating costs ; CSD will be responsible for the operating costs of the Community Garden**
- **Silverado will pay a one time fee of \$10,000 to defray legal costs to prepare the Ground Lease Agreement**
- **If CSD decides to sell or exchange the land Silverado would have first right of refusal**

# **SUMMARY**

- **99 year Ground Lease**
- **Rent increases every 7 years with a FMV reset every 30 years**
- **At the end of lease, the District can take over the facility or request the buildings be demolished at no cost to CSD**



**QUESTIONS**