

To: Lancaster County Board of Commissioners
From: Topher Hansen
Re: Trabert Hall
Date: January 21, 2018

Commissioners:

First, thank you for your consideration of CenterPointe as the purchaser of Trabert Hall for use in serving people who have mental health and substance use problems, most of whom are also low income and homeless. We have appreciated our long history of support and partnership with Lancaster County in addressing these issues.

We have worked very hard trying to understand the possible uses, costs and challenges in purchasing and rehabilitating Trabert Hall. I believe we can make this facility into a service location that will be useful for residents of Lincoln and Lancaster County, will give the building an extended life and will further serve the interests of our county.

Our analysis of the building, informed by Clark Enersen Partners, Hampton Enterprises and the information on the building from Lancaster County and the Building Commission, tells us that we are facing substantial costs to rehabilitate the structure. In fact, Hampton estimates that the total construction cost will be approximately \$10 million. With those cost estimates, we looked at what a reasonable purchase price would be for CenterPointe. The attached spreadsheet shows that under an approach that looks at purchase price if one were to lease the building space, the purchase price is a negative number. The assumptions used for this analysis are from Lancaster County and Hampton. CenterPointe must approach this project with an exit strategy of selling the building if we cannot raise the money necessary to do the project. Buying it for a price in excess of what a developer would pay, would put us in a precarious position.

CenterPointe is fortunate to be working with a benefactor in the community who is willing to help us financially in this process, but they are also concerned that the purchase price be at a market rate. Because CenterPointe is a not for profit corporation, we have an ability to obtain

financing that for profit entities are not able to access, which allows us to calculate a higher purchase price than our numbers otherwise indicate. **Therefore, we have concluded that we are able to discuss a purchase price of \$400,000.**

I understand this is less than the amount the Board has contemplated, but other amounts simply cannot be justified under the analysis. And, I must not put CenterPointe in a precarious financial position by spending more on the purchase than is feasible to fund or obtainable in an exit strategy scenario.

Please let me know how you wish to proceed. My gratitude for the time you have allowed CenterPointe to do the analysis. I look forward to hearing from you.

Topher