

CRS Plaza

525 East 100 South
Salt Lake City, UT 84111



Capital Project

Issue:

- The office building has a multi-level parking structure. The top deck of the parking structure was severely deteriorated from years of weather elements and salting/melt ice build-up on the parking deck. The beams and columns in the structure were starting to show signs of damage from the water leaks.

Solution:

- First stabilize the damage and then secure contractor and engineering reviews to determine the scope of the problem and propose solutions and cost for the repairs.
- Complete a detailed capital budget and recommend a strategy to repair the parking deck to ownership.

Actions:

- The first step was to clean the upper deck of all debris and address the rust and pot hole issues.
- Then we coated the surface of the parking lot with an epoxy coating to seal all leaks down through the structure.
- Funds were approved through re-finance of the building. The Owner opted to re-finance the building and provide funding to pay for repairs and other capital improvement projects.

Efficiency:

- Successful re-finance took place during favorable lending market to secure funds for repairs.
- Parking structure was completed on time and within budget, providing an extended useful life of ten years.
- Waiting two more years would have added \$100,000.00 to repair and maintenance costs plus the needed capital.

185 South State Building

185 South State Street
Salt Lake City, UT 84111



Tenant Occupancy

Issue:

- A major tenant (U.S. Attorney's Office) in the building was exploring the idea of adding additional square footage to their offices.
- At the time, there was an entire floor level that had been vacant for several years without any success of finding another tenant for the vacancy.
- The Owner wanted to lease the entire floor plate and not divide it into a multi-tenant floor.

Solution:

- Determine the square footage needs of the tenant looking for additional space.
- Work with the tenant to explore the potential growth for the office and the needed square footage for expansion.

Action:

- Through the direct involvement of the on-site Property Manager, the U.S. Attorney's Office was able to obtain the special approval to expand and take the entire floor.
- The transaction was negotiated through the Property Manager with the GSA. The Owner obtained top market terms and rates with a minimum of tenant improvements cost.
- Build out of the space took ninety (90) days and tenant took occupancy of the space upon completion of the construction.

Efficiency:

- The Landlord was able to lease the entire floor plate to an existing tenant and extend the term of the lease with the tenant. Assuming an eight (8.0%) percent CAP rate, the building value was increased by over \$1,650,000.

Pierpont Building

132 West Pierpont Avenue
Salt Lake City, UT 84101



Emergency Action

Problem:

- Broken kitchen sump pump failed and the waste water line broke sending water flooding into the basement office of the building.
- Flooding occurred on a Saturday night and was not discovered until the following day.

Solution:

- Determine the cause of the flooding and supervise immediate repairs to the sump pump and the waste water line.
- Emergency clean up crews were immediately dispatched to the building to clean up flooded offices.
- Met the Owner of the business and advised him of the damage cause by the flood. Examined the premises and determine the extent of damage and develop a course of action to make the repairs and keep them in business and operating.

Actions:

- After locating another vacant office within the building, was found a moving company was hired to move the tenant to the new temporary location within one business day.
- Mobilized the emergency crew to finish the clean up work of extracting the water, carpet and carpet pad from the damaged offices. In addition, identified damaged business materials. Hauled waste to the dump.
- Hired a contractor that would come in and repair the walls, patch, paint and install new carpet and pad at a reasonable price.
- Property Manager oversaw the process from beginning to end. Worked with the tenant to keep them in business with minimal down time and maintained a great working relationship in a very difficult situation.
- Moved tenant back into original offices after construction was completed.
- Final step was to evaluate the cause of the problem and make repairs to prevent future problems. This included the installation of an emergency sump pump location next to the existing pumps. The second step was to construct a curb around the area to contain the water within the perimeter of the pumps and channel any water leaks into the emergency sump pump.

Efficiency:

- Property Manager also filed a claim with the insurance company to recover the cost of repairs caused by the flood. Finally, CBC negotiated between the Landlord and Tenant several months of free rent to compensate the tenant for the lost time and inconvenience of the flood.

Naylor Farms Shopping Center

4000 West 9000 South
West Jordan, UT 84088



CAM Re-assessment and Recapture

Problem:

- New management assignment. Severe CAM billing inconsistencies and CAM reimbursement loss to ownership for the past several years.
- Serious square footage inconsistencies for the shopping center CAM allocations between pad sites and in-line tenants.

Solution:

- Review past common area billing statements and evaluate assessed charges. In addition, review all lease agreements and verify the square footage that each of the tenants occupy in the center.
- Compare CAM expenses to other similar centers to determine if costs are in line with market expenses.
- Review all maintenance and service contracts for the tenants at the property.
- Review all the leases to determine what services should be provided by the landlord and billed back to the tenants.
- Review all prior years CAM billing statements for the tenants.

Actions:

- Eliminate the duplication of services being provided to pad users and in-line tenants and create true common expenses.
- Re-calculate all square footage allocations.
- Re-calculate all tenant CAM costs, real estate taxes and insurance coverage for the property for the prior three years.
- Collect all outstanding balances owed for shortfalls in payments for CAM's, real estate taxes and insurance costs from in-line tenants, anchor stores and pad tenants.

Efficiencies:

- New square footage allocations were corrected and approved by ownership and tenants.
- Separately owned pad sites were billed for their full share of the common area expenses. This had not been done by previous management company.
- Pro-rata share for all tenant property taxes were adjusted to accurately assess each tenant its proper full- share allocation.
- Ownership recovered an additional \$23,000 in CAM reimbursements in the first year of our managed operation.
- Tenants are now paying their full share of CAM/real estate taxes/insurance and year end reconciliations are consistent and organized.