

**Property Management of Middle School and Auditorium/Gymnasium
(Winner, SD)**

1. I am providing the following property management information as a part owner besides other tax-paying owners. This property is located 1 block from Main Street and 1 block from Highway 18.
2. The Middle School has approximately 30,000 sq feet and the Auditorium/Gym has approximately 12,000 square feet. The property valuation is based upon \$150 per square foot for insurance replacement value purposes. This amounts to \$4.5 million for the Middle School and \$1.8 million for the Auditorium/Gym. There is no bond debt.
3. There are leases for 5,580 sq feet for \$34,500 total for these leases per year. The lease rate for these leases averages \$6.18 per square foot per year.
4. The Auditorium/Gym is used 5 days per week. The equivalent lease amount for the Auditorium/Gym is \$74,160 (\$6.18 x 12,000 sq feet) per year. The cost of a new facility would exceed this current valuation.
5. The utility expense for 2013 was approximately \$66,000 for the Middle School and the Auditorium/Gymnasium.
6. The state and federal government agencies have approximately 8,000 sq ft leased in Winner. One property is leased at \$7.70 per square foot per year including utilities. Another property is leased at \$12.15 per sq ft per year including utilities and custodial services. There is potential for new leases that integrate multiple facilities at the Middle School.
7. There may be potential for leases with Tripp County or other agencies.
8. Advertising outside the local area should be accomplished.
9. This property is valuable. There is no compelling reason to change the status of the ownership of the Middle School and Auditorium/Gym since we are already getting more value than the cost of ownership.

Sincerely,



Chuck Noble
31878 - 270th Street
Winner, SD 57580
605-842-1452

Sources:
City of Winner Finance Officer
Winner School District Business Manager
State of South Dakota Department of Fiscal Management
SDSU Extension Service, Winner, South Dakota
Tripp County Director of Assessments
State of South Dakota Office of USDA NRCS Agency