

From: Casey Moore <cjmoore@up.com>
Sent: Thursday, October 16, 2025 3:12 PM
To: Andrew Devine <Administrator@cityofalbion-ne.com>
Subject: RE: City Council Question

Hi Mr. Devine,

Totally understand. When we started our discussion and I notified you that we could not sell the property at this time, I indicated our minimum lease rate was \$5,000. At the beginning of this year, our minimum lease rate went up to \$10K. I requested approval from my Director to honor the \$5,000 annual lease rate to which he agreed. Additionally, I run comps on all our new leases to determine value. One of the comps that I ran for this lease valuation is shown below and was pulled from the Boone County Assessor's site.

Parcel ID is assessed at \$35,400 and the parcel size is 20,590 sq. ft.

$\$35,400 / 20,590 = \$1.72 \text{ sq. ft.} = \text{Assessed Value.}$ Keep in mind, assessed value is generally lower than actual market value.

The lease area that accompanies the lease with the City of Albion is 26,338 sq. ft. and we erred on the low side and used \$1.50 sq. ft. We then apply a 13% standard rate of return/annual rental rate. The math is as follows:

$\$1.50 \text{ sq. ft.} \times 26,338 = \$39,507 = \text{Market Value}$

$\$39,507 \times 13\% (0.13) = \$5,135.91 = \text{Annual Lease Rate}$

Again, we erred on the low side and honored the \$5,000 minimum lease rate.

I cannot negotiate any lower than I already have and feel like we've been pretty reasonable all things considered. The rate essentially has been discounted already from \$10,000 (current minimum) to \$5,135.91 (LOW end of the market rate) to \$5,000 previously agreed upon rate.

Hopefully this makes sense and you can understand the logic and empathy we used in valuing this lease rate.

When will the next city council meeting be held?



Parcel Information	
Parcel ID:	0004831.00
Card File:	4831.00
State Geo Code	2055-00-0-40110-001-0000
Cadastral #	1-1-28
Images	Photo #1
Current Owner:	KLUG, MATTHEW D 640 W MAIN ST ALBION, NE 68620-1144
Situs Address:	346 N 7TH ST ALBION
Tax District:	3
School District:	BOONE CENTRAL 1, 06-0001
Account Type:	Residential
Legal Description:	ALBION FR OF LOTS 3 & 4 BLOCK 1 20590SF SACKETT'S ADDITION
Lot Width:	N/A
Lot Depth:	N/A
Total Lot Size:	20590.00 sq ft

Assessed Values				
Year	Total	Land	Outbuilding	Dwelling
2024	\$35,400	\$35,400	\$0	\$0
2023	\$24,425	\$24,425	\$0	\$0

Yearly Tax Information		
Year	Amount	Levy
2024	\$296.86	1.056714

2024 Tax Levy	
Description	Rate
BOONE COUNTY	0.15000000
BOONE CENTRAL 1	0.37744500
BOONE CENTRAL 1 BOND 2015	0.04305800
ESU #7	0.01500000
CN COMM COLLEGE	0.02000000
LOWER LOUP NRD	0.03275900
ALBION	0.33798800
ALBION SWIMMING POOL 2013	0.07269100
AG SOCIETY	0.00598400
HISTORICAL SOCIETY	0.00178900