

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

December 13, 2024

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Hawaii

After-the-Fact Consent to Subleases under General Lease No. S-4330, Michael T. and Janis Y. Nakashima, Lessee, to: Lalalux, LLC, Lynnanne Chu dba Kai's, Styles N' Smiles LLC, Kelly Higaki dba Aloha Signs Plus, SNR Services, Gayne Kobayashi dba Kobayashi Doors & Maintenance, Tomas Sales dba TLS Motorsports, Paula Gealon, Dennis Delfin Jr. dba Different Level Tattoos, Art & Apparel, Island Hair Design, Inc., Kaycie Parks dba Waisted by Kay C; Lift All Things Body LLC, Sublessees, Waiakea, South Hilo, Hawaii, Tax Map Keys: (3) 2-2-037:122.

APPLICANT:

Michael T. and Janis Y. Nakashima, , as Sublessor, to:
Lalalux, LLC, a domestic limited liability company;
Lynnanne Chu dba Kai's, an individual;
Styles N' Smiles LLC, a domestic limited liability company;
Kelly Higaki dba Aloha Signs Plus, an individual;
Kaohinani Matsumoto dba SNR Services, an individual;
Gayne Kobayashi dba Kobayashi Doors & Maintenance, an individual;
Tomas Sales dba TLS Motorsports, an individual;
Paula Gealon, an individual;
Dennis Delfin Jr. dba Different Level Tattoos, Art & Apparel, an individual;
Island Hair Design, Inc., a domestic corporation;
Kaycie Parks dba Waisted by Kay C, an individual;
Lift All Things Body LLC; a domestic limited liability company;
as Sublessees.

LEGAL REFERENCE:

Section 171-36(a)(6), Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Waiakea, South Hilo, Hawaii, identified by Tax Map Keys: (3) 2-2-037:122, as shown on the attached map labeled Exhibit A.

AREA:

18,110 square feet, more or less.

ZONING:

State Land Use District: Urban
County of Hawaii CZO: MG-1a General Industrial-1 acre minimum

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CHAPTER 343 – ENVIRONMENTAL ASSESSMENT:

In accordance with Section 11-200.1-15 of the Hawaii Administrative Rules and the Exemption List for the Department of Land and Natural Resources reviewed and concurred in by the environmental Council on November 10, 2020, the subject request is exempt from the preparation of an Environmental Assessment pursuant to : General Exemption Type 1, which reads, “Operations, repairs or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing”, Part 1, Item No. 40, which reads, “Leases of State land involving negligible or no expansion or change of use beyond that previously existing.” The proposed action is a de minimis action that will probably have minimal or no significant impact on the environment and should be declared exempt from the preparation of an environmental assessment and the requirements of § 11-200.1-17, HAR.

LEASE CHARACTER OF USE:

General industrial purposes.

TERM OF LEASE:

55 years, commencing on April 16, 1971 and expiring on April 15, 2026. Last

rental reopening occurred on April 16, 2021.

SUBLEASE CHARACTER OF USE AND TERM:

Suite 101 -
Lalalux LLC: Clothing Store
1 year, 08/01/2021 to 07/31/2022;
Lynnanne Chu: Cold Kitchen
1 year, 10/01/2022 to 09/30/2023;
2 years, 10/01/2023 to 09/30/2025.

Suite 102 -
Styles N' Smiles LLC: Hair Salon
1 year, 11/01/2021 to 10/31/2022;
1 year, 11/01/2022 to 10/31/2023;
2 years, 11/01/2023 to 10/31/2025.

Suite 103 -
Kelly Higaki: Printing Shop
2 years, 08/01/2021 to 07/31/2023;
2 years, 08/01/2023 to 7/31/2025.

Suite 104 -
Kaohinani Matsumoto: Maintenance & Repairs
2 years, 08/16/2021 to 07/31/2023;
2 years, 08/01/2023 to 07/31/2025.

Suite 105 -
Gayne Kobayashi: Garage Doors & Maintenance
1 year, 08/16/2021 to 07/31/2022;
2 years, 08/01/2022 to 07/31/2024;

Suite 106 -
Tomas Sales: Auto Repair
2 years, 05/01/2021 to 04/30/2023;
3 years, 05/01/2021 to 04/30/2026.

Suite 107 -
Paula Gealon: Bowling Services
3 years 3 months, 05/01/2021 to 07/31/2024;
Dennis Delfin Jr. Tattoo & Apparel Shop
1 year, 08/16/2024 to 08/15/2025.

Suite 108 -
Island Hair Design, Inc.: Hair Salon
1 year, 06/01/2021 to 05/31/2022;
1 year, 06/01/2022 to 05/31/2023;
2 years, 06/01/2023 to 05/31/2025.

Suite 109 -
Waisted by Kay C: Body Sculpting
1 year, 06/10/2021 to 05/31/2022;

1 year, 06/01/2022 to 05/31/2023;

Lift All Things Body LLC: Body Sculpting
2 years, 06/01/2023 to 05/31/2025.

All sublease uses are in conformance with County of Hawaii zoning.

ANNUAL RENTAL:

\$18,800.00 Payable in quarterly installments of \$4,700.00 due on the 16th day of January, April, July and October.

ANNUAL SUBLEASE RENTAL INCOME:

2021/2022 = \$ 71,297.32 (Partial year)

2022/2023 = \$106,067.59

2023/2024 = \$116,798.55

2024/2025 = \$121,357.70

Includes GE Tax, additional rent and CAM (Care & Maintenance charge). Refer to attached Exhibit B and B-1 for further analysis.

RECOMMENDED ADJUSTMENT TO LEASE RENTAL:

\$ 14,494.47 for retroactive rent for the period 04/16/2021 through 04/15/2024.

\$ 5,000.00 increase to annual lease rent for the period 04/16/2024 through 04/15/2026.

(Refer to attached Exhibit B and B-1 for analysis of lease rental adjustment.)

DCCA VERIFICATION:

SUBLESSOR:

Michael T. and Janice Y. Nakashima: as individuals are not required to register with the DCCA

SUBLESSEES:

Lalalux, LLC: Administrative Termination 12/31/2021

Styles n' Smiles LLC: No filing for 2023 and 2024

Island Hair Design, Inc.: No filing for 2023 and 2024

Lift All Things Body LLC: No filing for 2024

Lynnanne Chu, Kelly Higaki, Kaohinani Matsumoto, Gayne Kobayashi, Tomas Sales, Paula Gealon and Kaycie Parks as individuals are not required to register with the DCCA. Kelly Higaki, Kaohinani Matsumoto and Gayne Kobayashi had registered tradenames which have expired. Tomas Sales, Dennis Delfin, Jr. and Kaycie Parks have current registered tradenames.

BACKGROUND:

General Lease No. S-4330 (GLS-4330), a 55-year lease for general industrial purposes was issued to H.P.I., Inc., as the highest bidder through public auction held on April 16, 1971.

Through mesne assignments, at its meeting of February 11, 2000, item D-15, the Board consented to the assignment of GLS-4330 to Michael T. Nakashima and Janice Y. Nakashima. The Board also approved an After-the-Fact consent to 5 (five) subleases and a consent to mortgage. The recommended sublease premium was set as follows:

Staff appraisal section has previously determined that a sandwich profit exists totaling \$4,245.72 up until 11/30/99...The actual sandwich sublease profit premium will be updated by the appraisal staff consistent with the previous calculations. Consistent with current policy, staff is recommending the total updated sublease sandwich profit on the past sublease rents collected be paid as a premium in connection with the board's consent to the subleases.

Pursuant to the "Revision to Sublease Rent Participation Policy" adopted by the Board at its meeting of May 26, 2000, agenda item D-24, the Board authorized the Chairperson to consent to subleases where no sandwich profits exist in two situations: 1) the lease has no provision which allows for sandwich profits or 2) the sublease involves improved property, the Board shall not receive any portion of sublease rents obtained from subleasing improved space unless that right and method of calculation are specifically stated in the lease.

Further, pursuant to the "Amendment to the Sublease Rent Participation Policy" approved as amended by the Board on January 26, 2001, for lessees paying fair market rent, "If the lessee subleases improvements not owned by the State, the Board shall not receive any portion of sublease rents from subleasing improved space unless that right and method of calculation are specifically stated in the lease."

Consequently, sublease consents were approved by the Chairperson via Chairperson submittals dated 11/29/2004, 10/04/2005, and 04/05/2006. Since the lessee was subleasing improvements not owned by the State and paying fair market rent, no rent participation was recommended.

Subsequently, at its meeting of August 24, 2012, agenda item D-14, the Board revised the "Rent Participation Policy" by revising policy 1.(c) of the policy to read (revised material is underlined):

“If the lessee subleases improvements not owned by the State, the Board shall not receive any portion of sublease rents from subleasing improved space unless: (i) that right and method of calculation are specifically stated in the lease, or (ii) participation in sublease rents is warranted considering the age of the improvements (including but not limited to the extent to which the improvements have been depreciated or amortized), lessee’s expenditures to maintain the same in relation to sublease revenues, and the extent to which the lessee actually occupies and uses the lease premises for its own business.”

DISCUSSION:

The lessee has not requested consent on subleases since 2006. However, until the change of Rent Participation Policy in 2012, there would have been no participation. From 2012 to 2020, the lessee would still have been amortizing/depreciating the improvements purchased in 2000 and potentially there would not have been participation.

The commencement dates for the subleases in 2021 are May thru August. Lease rent for GL No. S-4330 is charged for April 16th to April 15th each year (based on the commencement date of the lease). Staff has calculated income and expenses based on April to March of each year, therefore, the income for the 2021/2022 year is calculated as a partial year. Refer to attached Exhibit B and B-1 for the full analysis.

Staff is recommending that the Board approve a retroactive adjustment to the lease rent of an additional \$14,494.47 for the period of April 16, 2021 through April 15, 2025. This represents a 10% annual share of the sublease profits.

Further, staff is also recommending an increase in the annual lease rent of \$5,000, for the period April 16, 2025 through April 15, 2026. This amount is equal to an estimated 10% share of the estimated sublease profits.

The Lessee is in compliance with all other lease terms and conditions.

RECOMMENDATION:

That the Board:

1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200.1, Hawaii Administrative Rules, the proposed action is a de minimis action that will probably have minimal or no significant impact on the environment and should be declared exempt from the preparation of an environmental

assessment and the requirements of § 11-200.1-17, HAR.

2. Approve After-the-Fact Consent to Subleases under General Lease No. S-4330, Michael T. and Janis Y. Nakashima, Lessee, to: Lalalux, LLC, Lynnanne Chu dba Kai's, Styles N' Smiles LLC, Kelly Higaki dba Aloha Signs Plus, SNR Services, Gayne Kobayashi dba Kobayashi Doors & Maintenance, Tomas Sales dba TLS Motorsports, Paula Gealon, Dennis Delfin Jr. dba Different Level Tattoos, Art & Apparel, Island Hair Design, Inc., Kaycie Parks dba Waisted by Kay C; Lift All Things Body LLC as Sublessees, subject to any applicable conditions cited above which are by this reference incorporated herein and further subject to the following terms and conditions:
 - a. The standard terms and conditions of the most current consent to sublease form, as may be amended from time to time;
 - b. The lessee is charged a one-time retroactive amount of \$14,494.47 representing a share of sublease profits for the period of April 16, 2021 through April 15, 2025;
 - c. The annual lease rent is to be increased by \$5,000.00 for the period April 15, 2025 through April 15, 2026;
 - d. As a condition of the consent to subleases, the lessee will ensure all sublessees are in compliance with the Business Registration Division of the Department of Commerce and Consumer Affairs of the State of Hawaii;
 - e. Review and approval by the Department of the Attorney General; and
 - f. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

Candace Martin


Candace Martin
Land Agent

APPROVED FOR SUBMITTAL:



Dawn N.S. Chang, Chairperson

RT

EXHIBIT A



JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



DAWN N. S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

**STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA
LAND DIVISION**

P.O. BOX 621
HONOLULU, HAWAII 96809

November 22, 2024

MEMORANDUM

TO: Dawn N.S. Chang, Chairperson

THROUGH: Russell Y. Tsuji, Division Administrator *RT*

FROM: Candace Martin, Land Agent *CDM*

SUBJECT: In-House Recommendation – Sublease Participation Calculation

GL No.:	S-4330
Lessee/Sublessor:	Michael T. and Janis Y. Nakashima
Sublessees:	Lalalux, LLC; Lynnanne Chu dba Kai's; Styles N' Smiles LLC; Kelly Higaki dba Aloha Signs Plus; Kaohinani Matsumoto dba SNR Service and Repair; Gayne Kobayashi dba Kobayashi Doors & Maintenance; Tomas Sales dba TLS Motorsports; Paula Gealon; Dennis Delfin Jr. dba Different Level Tattoos, Art & Apparel; Island Hair Design, Inc.; Kaycie Parks dba Waisted by Kay C; Lift All Things Body LLC

Location:	Waiakea, South Hilo, Hawai'i
Lease area:	18,110 sf
Sublease Area:	9,962 sf. more or less
Tax Map Key:	(3) 2-2-037:122
Character of Use:	General Industrial purposes

We have been requested to provide an in-house evaluation of a potential ground rent increase due to subleasing of General Lease No. S-4330 (GLS-4330), Michael T. and Janis Y. Nakashima, Lessee/Sublessor to multiple Sublessees as listed above. The sublease documents and information provided by Lessee were analyzed and staff was guided by the formula approved by the Land Board on January 26, 2001, agenda item D-8, and modified by the Board at its meeting on August 24, 2012, agenda item D-14, comprising of the Rent Participation Policy.

The commencement date of GLS-4330 was April 16, 1971 for a term of 55 years and expiring on April 15, 2026. There is 1 year and 4 months remaining in the term.

The subleasing provision of GL S-4330 states as follows:

“Subletting. That the Lessee shall not rent or sublet the whole or any portion of the demised premises, without the prior written approval of the Board; provided, however, that prior to such approval, the Board shall have the right to review and approve the rent to be charged to the proposed sublessee and, if necessary, revise the rent of the demised premises based upon the rental rate charged to the said sublessee; provided, further, that the rent may not be revised downward.”

The final lease reopening occurred in April 2021 with new annual rent determined to be \$18,800.00.

Improvements to the property include a ~10,100 sf warehouse/office building completed in 1975 and is currently rented as 9 separate suites. Property perimeter is fenced and gated with chainlink. The balance of the property is asphalt paved with striping for parking. No substantial improvements to the premises have been made in the last 10 years. Water and electric utilities service the property. Improvements are owned by the lessee until expiration of the lease in 2026.

The lessee is requesting an After-the-Fact consent on all subleases in effect from 2021 to the present, which totals 12 sublessees and 23 subleases. The subleases encumber 9,962 sf of the warehouse/office building.

Each Sublessee is charged ~1% per 100 sf leased space for real property tax, insurance and water charges. In addition, sublessees are charged a monthly CAM (costs and maintenance) fee of between \$40.00 and \$70.00 dependent on the leased space. The CAM currently totals \$6,120.00 in annual income to the Lessee. The CAM includes grounds maintenance and exterior building maintenance. Each sublessee has a separate electric meter and each is responsible for their individual electric bills.

General Excise Tax is charged to sublessees in the monthly base rental amount.

Synopsis of subleases:

Lalalux LLC: Suite #101 Rent area: 936sf
Sublease term: 08/01/2021 – 07/31/2022

Sublease monthly rent rate: \$758.16 + \$134.67 additional rent + \$50.00 CAM

Lynnane Chu: Suite #101 Rent area: 936sf

Sublease term: 10/01/2022 – 09/30/2023

Sublease monthly rent rate: \$804.96 + \$138.14 additional rent + \$50.00 CAM

Sublease term: 10/01/2023 – 09/30/2025

Sublease monthly rent rate: \$804.96 + \$138.14 additional rent + \$50.00 CAM

Styles N Smiles: Suite #102 Rent area: 936sf

Sublease term: 11/01/2021 – 10/31/2022

Sublease rent rate: \$570.96 + \$138.14 additional rent + \$50.00 CAM

Sublease term: 11/01/2022 – 10/31/2023

Sublease rent rate: \$608.40 + \$138.14 additional rent + \$50.00 CAM

Sublease term: 11/01/2023 – 10/31/2025

Sublease rent rate: \$748.80 + \$138.14 additional rent + \$50.00 CAM

Kelly Higaki dba Aloha Signs Plus: Suite #103 Rent area: 1,300sf

Sublease term: 08/01/2021 – 07/31/2023

Sublease rent rate: \$793.00 + \$175.07 additional rent + \$70.00 CAM

Sublease term: 08/01/2023 – 07/31/2025

Sublease rent rate: \$1,040.00 + \$179.58 additional rent + \$70.00 CAM

Kaohinani Matsumoto dba SNR Service and Repair: Suite#104 Rent area: 1,200sf

Sublease term: 08/16/2021 – 07/31/2023

Sublease rent rate: \$948.00 + \$161.60 additional rent + \$70.00 CAM

Sublease term: 08/01/2023 – 07/31/2025

Sublease rent rate: \$948.00 + \$165.77 additional rent + \$70.00 CAM

Gayne Kobayashi dba Kobayashi Doors & Maintenance:

Suite #105 Rent area: 1,200sf

Sublease term: 08/16/2021 – 07/31/2023

Sublease rent rate: \$948.00 + \$161.60 additional rent + \$70.00 CAM

Sublease term: 08/01/2023 – 07/31/2024

Sublease rent rate: \$948.00 + \$165.77 additional rent + \$70.00 CAM

Sublease term: 08/01/2024 – 07/31/2025

Sublease rent rate: \$948.00 + \$165.77 additional rent + \$70.00 CAM

Tomas Sales dba TLS Motorsports: Suite #106 Rent area: 2,400sf

Sublease term: 05/01/2021 – 04/30/2023

Sublease rent rate: \$1,608.00 + \$296.27 additional rent + \$70.00 CAM

Sublease term: 05/01/2023 – 04/30/2026

Sublease rent rate: \$1,920.00 + \$303.91 additional rent + \$70.00 CAM

Paula Gealon: Suite #107 Rent area: 525sf

Sublease term: 05/01/2021 – 07/31/2024

Sublease rent rate: \$435.75 + \$69.07 additional rent + \$40.00 CAM

Dennis Delfin Jr.: Suite #107 Rent area: 525sf
 Sublease term: 08/16/2024 – 08/15/2025
Sublease rent rate: \$435.75 + \$69.07 additional rent + \$40.00 CAM

Island Hair Design, Inc.: Suite #108 Rent area: 475sf
 Sublease term: 06/01/2021 – 05/31/2022
Sublease rent rate: \$408.50 + \$67.33 additional rent + \$40.00 CAM
 Sublease term: 06/01/2022 – 05/31/2023
Sublease rent rate: \$408.50 + \$67.33 additional rent + \$40.00 CAM
 Sublease term: 06/01/2023 – 05/31/2025
Sublease rent rate: \$408.50 + \$69.07 additional rent + \$40.00 CAM

Waisted By Kay C: Suite #109 Rent area: 990sf
 Sublease term: 06/10/2021 – 05/31/2022
Sublease rent rate: \$643.50 + \$134.67 additional rent + \$50.00 CAM
 Sublease term: 06/01/2022 – 05/31/2023
Sublease rent rate: \$408.50 + \$134.67 additional rent + \$50.00 CAM

Lift All Things Body LLC: Suite #109 Rent area: 990sf
 Sublease term: 06/01/2023 – 05/31/2025
Sublease rent rate: \$792.00 + \$138.14 additional rent + \$50.00 CAM

AGGREGATE ANNUAL CALCULATIONS: GL No. S-4330

For more detailed analysis see sublease profit calculation worksheet attached as Exhibit B-1.

	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023/2024</u>	<u>2024-2025</u>
Annual Sublease Income	\$71,297.32	\$106,067.59	\$116,798.55	\$121,357.70
LESS Annual Expenses	<u>\$57,874.06</u>	<u>\$ 68,211.94</u>	<u>\$ 70,568.50</u>	<u>\$ 73,921.93</u>
Annual Net Sublease Profit:	\$13,423.26	\$ 37,855.65	\$ 46,230.05	\$ 47,435.76

Staff was guided by the approved Rent Participation Policy item 1(c) for lessees paying fair market rent which states:

“If the lessee subleases improvements not owned by the State, the Board shall not receive any portion of sublease rents from subleasing improved space unless: (i) that right and method of calculation are specifically stated in the lease, or (ii) participation in sublease rents is warranted considering the age of the improvements (including but not limited to the extent to which the improvements have been depreciated or amortized), lessee’s expenditures to maintain the same in relation to sublease revenues, and the extent to which the lessee actually occupies and uses the lease premises for its own business.”

The lessee pays fair market rent and the improvements are not owned by the State. The lease does not specifically layout a method for calculating a share of the sublease rents. However, these subleases are occurring in the last five years of the lease and no substantial improvements have been made in the previous 10 years, so the associated

building costs have been fully amortized/depreciated. The Lessee does not use the improvements for their own business.

As illustrated in the above synopsis of subleases, the commencement dates for the subleases in 2021 are May thru August. Lease rent for GL No. S-4330 is charged for April 16th to April 15th each year (based on the commencement date of the lease). Therefore, staff has calculated income and expenses based on April to March of each year. The base sublease rent includes GE Tax, so it has been included in the annual expenses. No vacancy allowance has been allowed for the years 04/2021 – 03/2025 as this is an after-the-fact request with actual income and expense figures. Staff has allowed a 4% rate of return on investment per year which is calculated on \$455,000.00 value of the improvements as determined by appraisal in 2021.

Based on the analysis above and the attached sublease profit calculation worksheet, staff is recommending that DLNR receive a 10% share of the profits as a retroactive increase to the annual lease rent as follows:

Annual Retroactive Lease Rent Adjustment for GLS-4330

04/2021- 03/2022	+\$ 1,342.33
04/2022- 03/2023	+\$ 3,785.56
04/2023- 03/2024	+\$ 4,623.00
04/2024- 03/2025	<u>+\$ 4,743.58</u>

Total Retroactive Lease Rent Adjustment	+\$14,494.47
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Staff has analyzed the sublease income and expense potentials for the last year of the lease and is recommending a \$5,000.00 increase for the last year of the lease (04/2025 – 04/2026) which would set the rent at \$23,800.00.

EXHIBIT B-1**Sublease Profit Calculation Worksheet****GL-4330 Michael T. and Janis Y. Nakashima**

	*4/2021-3/2022	4/2022-3/2023	4/2023-3/2024	4/2024-3/2025
Base Rent Income	\$63,771.58	\$84,318.12	\$93,972.32	\$96,334.25
Additional Rent	\$4,615.74	\$15,729.47	\$16,706.23	\$18,903.45
CAM Income	\$2,910.00	\$6,020.00	\$6,120.00	\$6,120.00
Total Sublease Income	\$71,297.32	\$106,067.59	\$116,798.55	\$121,357.70
LESS 4% Return on Investment**	\$18,200.00	\$18,200.00	\$18,200.00	\$18,200.00
LESS Annual Lease Rent	\$18,800.00	\$18,800.00	\$18,800.00	\$18,800.00
LESS Property Tax	\$7,312.38	\$11,668.35	\$12,126.31	\$12,126.31
LESS Insurance	\$1,686.00	\$4,621.00	\$4,626.00	\$7,423.00
LESS GE Tax	\$2,075.68	\$4,232.59	\$4,570.19	\$4,872.62
LESS R&M & Water	\$9,800.00	\$10,690.00	\$12,246.00	\$12,500.00
Total Allowable Expenses	\$57,874.06	\$68,211.94	\$70,568.50	\$73,921.93
Sublease Profit	\$13,423.26	\$37,855.65	\$46,230.05	\$47,435.76
10% Increase to Annual Lease Rent	\$1,342.33	\$3,785.56	\$4,623.00	\$4,743.58
Total Annual Lease Rent Increase for 4/2021-3/2025				\$14,494.47
Annual Lease Rent Increase for 4/2025-3/2026				\$5,000.00
Recommended Annual Lease Rent for 4/2025-4/2026				\$23,800.00

*Partial year as leases began between May and August.

**2021 Appraised Value of Improvements = \$455,000.00