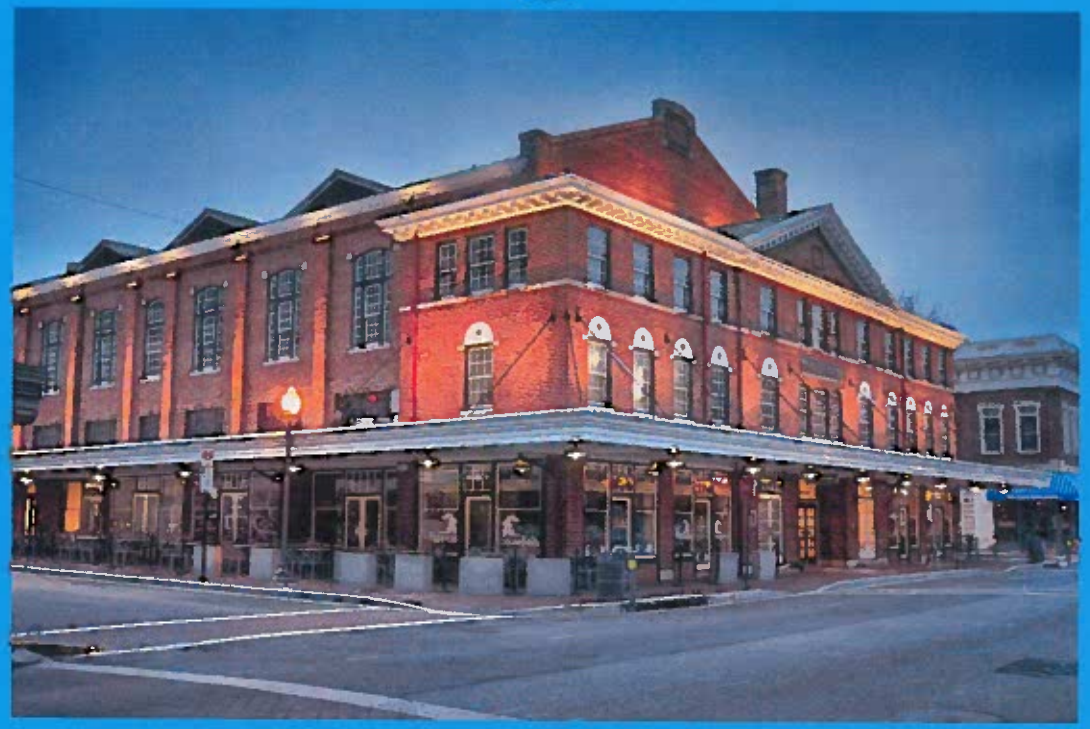
Briefing 1

Managed by:
Hall Associates
Commercial Real Estate Solutions since 1976

The City Market Building

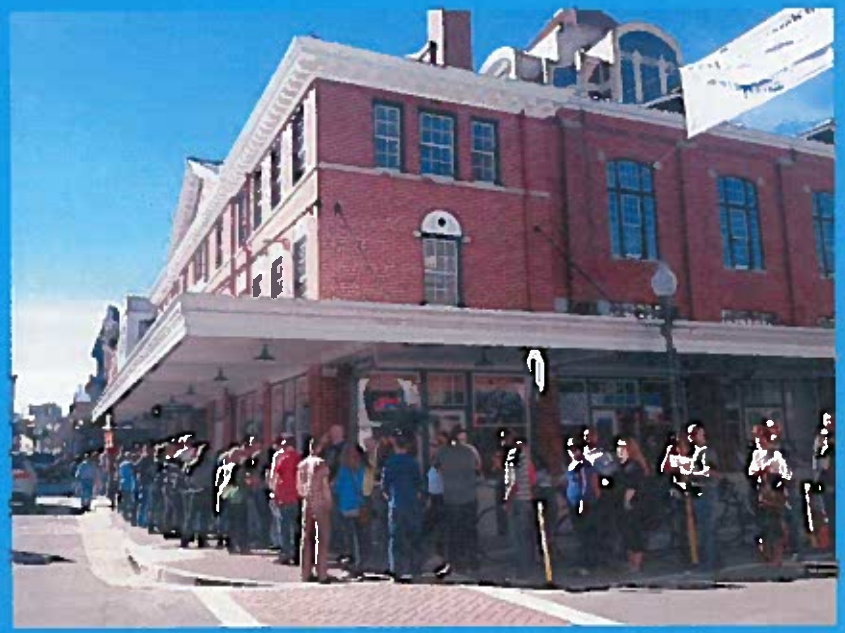
Roanoke, VA

2014



Downtown Activity Hub

In 2014, the City Market Building endeavored to become an activity generator as part of a broader effort to drive business downtown and to Market Building vendors specifically.



4 NEW annual events:

- Downtown Countdown New Year's Eve
- For the Love of the Brew Rare Beer Festival
- Burgerfest
- Oktoberfest (10/25/2014)

Operational Successes

In 2013, the restaurants in the City Market Building generated approximately $2m in sales.

This produced:

- Approximately $20k in sales tax
- $100k in food and beverage tax
- Additional personal property tax

Additional financial impact created through downtown events, benefitting neighboring restaurants and businesses

Occupied Space

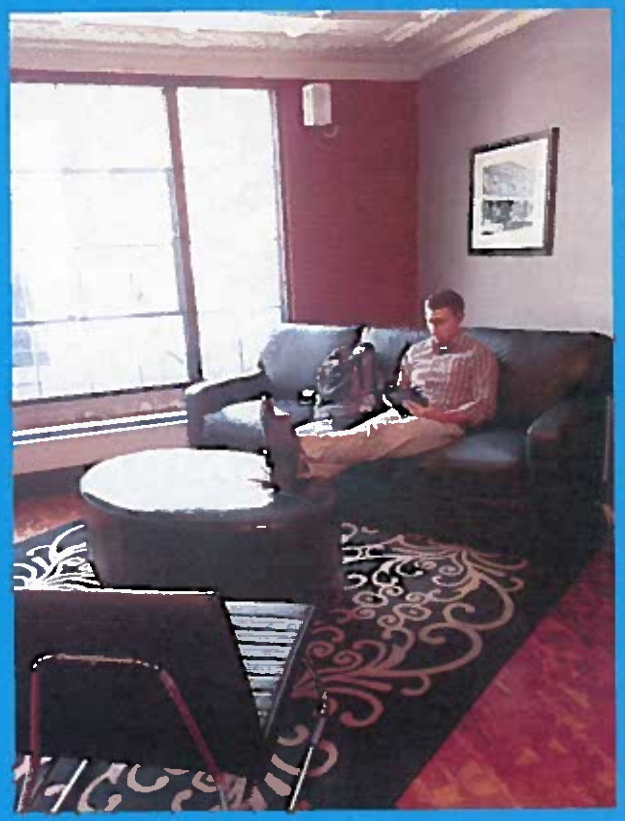
- Current Occupancy Rate
  - 7236 sq feet total leasable space (out of 29,000 total)
  - 5712 sq feet currently leased
  - 1524 sq feet available

Current occupancy rate of 80% (equals local multi-tenant avg.)

Applications coming in currently on both available retail and restaurant spaces!

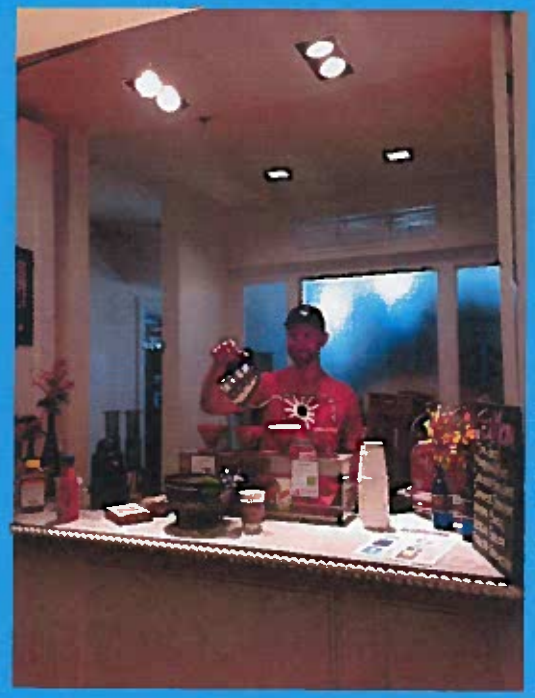
Salem Mezzanine – Commodore Lounge

- Salem Ave. mezzanine has been repurposed with comfortable seating, including couches, lounge chairs, and area rugs.
- Mezzanine is new permanent home for the Commodore Inn sign, bringing neon and Roanoke Restaurant history back to the Market Building
- Meeting space for students, business lunches, and after-work brainstorming.



Operational Improvements
Charter Hall

- Charter Hall leasing on schedule to exceed budgeted revenues, currently at $58k year-to-date.
- Event income exceeding expectations, currently at $41k year-to-date.



Operational Improvements
City Market Building Atrium

- New ABC license in the common area allows restaurants more opportunities to make sales and more event opportunities
- Regular maintenance schedule (includes weekly extermination, HVAC maintenance, painting, light bulbs, etc.)
- In-house custodial staff minimizes expenses
  - Staff is attentive and dedicated
  - Helps to achieve better operating efficiencies

Operational Challenges

- Extensive common area space leads to revenue gap
  - Approx. 18,000 square feet of space on floors 1 and 2 (not including Charter Hall)
  - Only 7200 leasable
  - Leaves 10,800 square feet of space that does not directly generate revenue for the building but requires maintenance.
- HVAC was not replaced during renovation and requires expensive maintenance and replacement schedule
- Current tenant leases mostly will expire in 2016
- Continuing to improve on common area – adding warmth through communal seating, ambient lighting, plants, wood table tops, and Salem Ave. mezzanine furniture

General Financial Overview

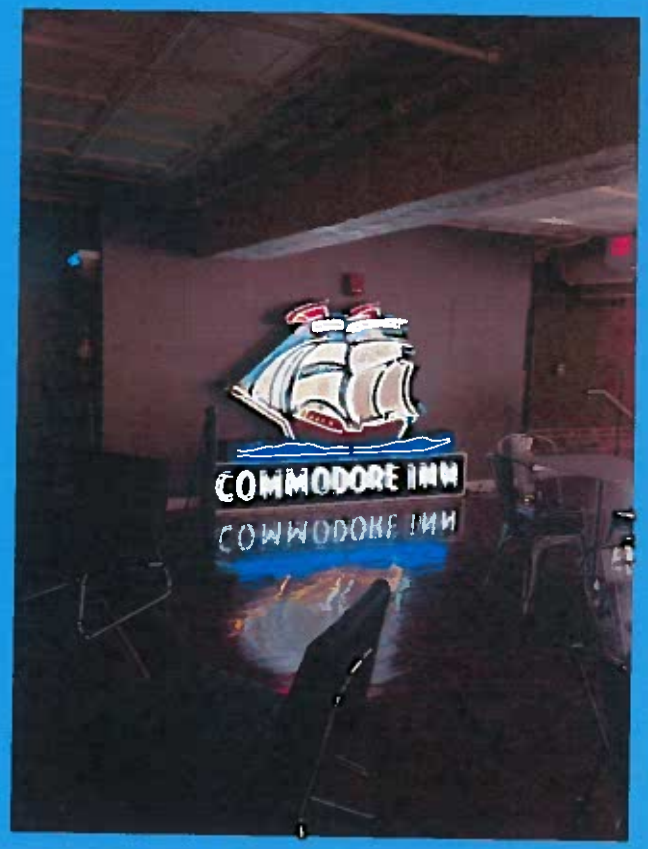
- Will exceed income expectations due to Charter Hall and CMB Event revenue
- Expenses will likely exceed budget - general operating expenses are extraordinarily costly for this kind of building
- Year to date net income $20k ahead of budget
- Operating expenses in 2015 expected to exceed projected income by $290k, and includes need for capital improvements to HVAC system
- Income projections of Charter Hall likely to remain steady in 2015 despite increased competition downtown.

2014 Marketing Efforts

- Print
  - Roanoker
  - Bella
  - Poppyseed
  - Wedding Magazines
- Radio
  - WVTF
  - ClearChannel (Steve, Sunny, Alt Project, WROV)
  - 101.5 The Music Place
- Event advertising through Big Lick Promotions (includes TV)
- Experience Marketing through events – creating a better experience at the City Market Building!
- Promotions including the Downtown Diners club, Friday night music series, and ticket giveaways to CMB events.

Community Partnerships

- DRI -Party in Elmwood, Movies in the Market
- The Taubman for wedding ceremony and reception package
- Local schools for downtown field trip packages
- Information Kiosks with DRI and Roanoke Outside
- Taubman, Transportation Museum, Center in the Square, DRI, Jefferson Center
- City of Roanoke Science Festival, VML
- Graduation ceremonies for TAP, VT Carillion Clinic
- Display of public art – Commodore Inn Sign



Thank you!

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MBFI Chair

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