

THE ASHLAND THEATER FEASIBILITY STUDY

**WAUKESHAW DEVELOPMENT, INC.
JUNE 2, 2015**



WAUKESHAW DEVELOPMENT, INC.

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June 1, 2015

Mr. Tom Wulf
Executive Director
Ashland Main St Association
Ashland, VA 23005

Tom,

This letter serves as formal notification that the second and third parts of the Feasibility Study, described in the MOU letter executed 11/21/14 by the Ashland Main Street Association and VMS, are complete. I submit to you, in the following attachments, all of the items requested in Part 2 and Part 3 of the MOU, and have attached specific items where noted.

I appreciate all of your assistance and feedback over the past few months, as well as that of the board, and I hope you receive this Feasibility Study with the same excitement with which I present it. I look forward to working with you on this important project.

Sincerely,



J. David McCormack
Waukeshaw Development, Inc.

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EXECUTIVE SUMMARY

The Town of Ashland has recognized the iconic Ashland Theater as a valuable part of its history, and as such, identified its redevelopment as a critical part of its plan for revitalizing its historic downtown. Since the 1940s, the Theater was operated as a single screen movie theater, but like many theaters in small markets across the country, competition from large format theaters have undermined the economic viability of such operations, and the building has become obsolete in its current state and configuration.

In recent years, the theater was used sporadically, then listed for sale until the most recent owner, AD Whittaker, donated the theater to the Town of Ashland. The Town then searched for a developer through the RFP process, and in 2014 attracted one qualified respondent: Waukeshaw Development, Inc., which is known for developing historic property in small markets around the state of Virginia.

Waukeshaw, as the developer, is also the author of this Feasibility Study, and the proposed eventual leaseholder and operator of the facility. In that regard, Waukeshaw approached this study not as a theoretical model for operating the theater, or as a means of addressing only the required items in the MOU, but as a deeper study of an actual business plan, including best practices, attracting and assembling an actual development and operations team, and the financial planning, proforma preparation and space planning in advance of actual development and for-profit operation of the space.

In the preparation of this document, David McCormack, of Waukeshaw Development, has met many times with community leaders, the Ashland Main Street Association, members of Town Council, members of the Theater Committee, along with economic development director Nora Amos and Town Manager Charles Hartgrove, to find an approach to redeveloping the theater that satisfies the varied desires of the community, but provides a for-profit, self-sustaining business model. As of this writing there are still some unknowns and/or options from which to choose among the various pieces and parts that comprise such an endeavor as the final plans are compiled and prices secured; however, there is currently enough information and pricing gathered upon which a satisfactory business model has been created. Note, however, that until a formal set of construction and permit documents is complete, truly accurate pricing from subcontractors is not possible.

In driving to a final version of the business plan, Waukeshaw followed the original guidance put forth in the RFP: That the Developer reprogram the theater, become the long term lease-holder of the property, and operate the facility as a for-profit business with programming designed to generate a profit, and offer great entertainment for customers and an economic catalyst for the Town of Ashland. Within that framework, Waukeshaw also sought to address the need voiced by the Theater Committee to find a way to incorporate community and non-profit use of the facility.

With these things in mind, Waukeshaw met with those currently running the theater, and studied other theaters of similar size and in similar communities, to understand what works, and specifically what is working from a financial standpoint in those locations. The Developer sought to understand what is profitable versus simply popular or community-oriented, and what potential exists for expanding on that programming, and generating income from existing opportunities. The Developer then also conceptualized new programming, and approached the overall plan to take the greatest advantage of all of the assets specific to this facility and location. For this reason, the Developer is especially interested in combining the restaurant facility with the theater, to create a more integrated, interesting experience for customers, as well as enhancing the concession, and elevating the overall brand of the Theater, thereby maximizing its profit potential.

As the planning and programming continued, the Developer was also guided by the beacon of the current budget: A total of slightly more than \$1,000,000, comprising the recently-announced IRF grant given by the VA Department of Housing and Community Development, and the matching funds contributed by the Town of Ashland. In addition to these funds, there is the possibility that the syndication of historic tax credits (once the project is complete) will yield an additional (approximate) 6% in additional cash for investment in the project, for a grand total of \$1,060,000 available to the Theater development as of this writing.

One undercurrent among the many observations about the Theater made over the course of this study is that there is lots of excitement and interest in its revitalization, and there is strong community support for it. As excitement grows over the future plans for the facility, recent events have been well-attended: a string of second-run films over the winter; a high school jazz band performance; a bluegrass concert, certain lectures, etc. While attendance was a good measure of the excitement level, this did not always translate to income. While the attendance was good for these events, tickets were often given away, or promoted to a specific, interested audience. The opposite has proven true when a strict profit-motive was employed: When there are no 'special' or 'free' events; when ticket giveaways are not offered; or when the theater itself is not leased at a steep discount, or for free, attendance was weak.

As many contemporary theater operators know, concession is a very big part of the theater business. The Developer has stated the importance of including the adjacent building (currently 'Slipped Disc' recording studio) in the plans for the redevelopment of the theater, and combining that effort with that of greatly enhancing the in-theater concession. The adjacent building was historically connected to the theater and operated as a restaurant called 'The Snack Bar', and served theater customers as far back as the inception of the theater itself. The Developer intends to convert the building to a restaurant once again, re-establishing it as an important economic engine for the overall business, and an important amenity for future theater-goers. Currently operated as a recording studio, negotiations between the Town of Ashland and owner Bill McElroy are underway for the sale, long-term lease or lease/purchase of his building to the

Town. As of this writing, the Developer is unaware of the state of those negotiations, though certain assumptions have been made within this document in order to generate projected financials.

Of special importance in the lease or lease-purchase arrangement of the McElroy building is complying with the same long-lease term required by the IRS for the project to receive and monetize historic tax credits, and conjoining that lease with the theater lease to bring both operations in sync. The details of this structure are critical if tax credits are to be syndicated. These details are discussed later in the study. Currently, it is assumed that if the building is purchased by the Town, the purchase price is not included in the current budget of the theater redevelopment; nor is any lease amount included in the operational budget. The lease rate of the property to the Developer/Operator will be \$1 annually. The income to the town will instead be derived from meals taxes generated at the facility.

Overall, Waukeshaw has approached this feasibility study not with the mindset of *if* the project will work, but *what will work*. In that regard, there have been many ideas discussed, and many that have been put aside in order to formulate a sound business plan and path forward. There has been suggestions of installing mezzanine level in the theater; offering the ‘best sound on the East Coast’; windows punched into the east wall of the theater for viewing from the restaurant, stage extensions, a dance floor, and many other others, but these have been set aside for the time being with the budget in mind, in favor of the core requirements to operate a well-branded customer experience at a profit.

REBRANDING THE THEATER: A LIVE MUSIC VENUE

If the theater is to survive, it must be reprogrammed and rebranded. And as such, Waukeshaw envisions rebranding the theater as a live performance venue – specifically live music. This is not to say that the name would change, or that movies, lectures, plays, and many other things would no longer happen in the theater, but movies have proven to be a challenged business in recent times, and community centers cannot, on their own, be profitable. To actually make money, and give a professional operator the profit-motive to operate the theater, a live music venue would provide just that.

Performances should be eclectic, interesting, educational, sometimes ethnic, and always amazing and inspiring, and customers should enjoy the brand in the same way they enjoy the Richmond Folk Festival, which has delivered on that promise so spectacularly, and been so wildly successful. The theater should not exist to offer another folk or rock performance venue, or compete with existing venues that showcase opera, classical music or ballet. Instead, it should be a venue for all of the musical acts that don’t currently have a home during the 51 weeks of the year when the Folk Festival is not in town.

The Theater should also be a home for great cinema. But it should not offer a ‘second-run’ experience; rather, it should be a place for curated movie series that allow movie buffs to more deeply explore their favorite directors or actors, documentary films, intellectual pursuits, or some common thread among varied genres. These should be fun, well-attended, surprising and energetic monthly events. The Developer will also cultivate relationships with local filmmakers to screen their films, and seek to become a special outlet for the regional filmmaking community.

The Theater should also offer an equally interesting series of lectures—one that takes itself a bit less seriously than the Richmond forum, but with equally inspiring speakers. Again, the spirit of the series should be quirky, fun, energetic and be informed by the brand concept.

Such a repositioning and reprogramming offers focus, and a specific path forward as the budget considerations and concessions are made to fit the existing budgetary goals. For example, in a redevelopment scenario where live performance is the priority, big-ticket purchases of the latest Christie 4K projection equipment may be less important than superior live sound, and the development of the concession area, green rooms and the restaurant. Because the projector IS still important, the Developer has priced a projection model (and associated package) approximately \$10,000 less, but with the same contemporary features. Such an approach has been taken (and will be taken) on many equipment choices, whether they be related to sound, lighting, ticket-buying, POS, restaurant equipment, etc.

Reprogramming and building the new venture, however, is not enough. It must also have solid, focused branding. Branding is an often misunderstood component of a successful business. It is easy to confuse the idea of branding with the creation of a simple logo, or signage or a website.

Waukeshaw approaches branding as the overarching voice or ‘vibe’ of everything that the Theater will be about – the total vision for the place, from which everything (including the logo, the signage, etc.) will emanate. Branding will help us determine just who we are trying to reach, what our stage might look like, or what the décor is going to be, what the ticket-buying experience is going to be like. It will help us decide how the staff will dress, and what the beer taps will look like, along with the glassware, the chairs and tables, maybe right down to the forks and knives. A good branding package will give us direction, but it will also clearly show our customers what we stand for, and what we are about: eclectic, intellectual, quirky, and maybe slightly crazy. This is Ashland, after all!

BUILDING PROGRAMMING

The programming shall have a specific focus on Live Music and Performance, with a lesser focus on movies, theatrical performance, comedy, magic, lecture, speeches, political events, worship, and non-profit/community events.

Presently, the aging state of the theater building, the low-quality décor, inefficiency of the facilities such as bathrooms, poor acoustics, aging equipment, and the inability to capture customer dollars with lower-quality concessions and awkward concession facilities severely limits the ability to profit from the theater. Further, the current projection equipment is sub-par, the distance to the screen is an important consideration, and the seats are worn. While it has been said that the demand is such that 'there could be an event there every night', if users and customers are not compelled to pay market rates for the use of the facility, the operating costs and labor will be a constant financial drain on whatever entity operates the facility. The facility must be improved, and operated by experienced management, in order to generate profits for the facility, and bring the theater back to the iconic status it deserves. As it is rehabilitated, the brand will inform many choices of color, décor, signage, and the entire look and feel of the facility.

To this end, the stage area will be improved to accommodate events; live sound will be greatly improved, with an array of speakers arranged throughout the building, with the configuration designed by a qualified sound engineering vendor. Lighting will be installed in a grid system, and will be improved to accommodate the needs and requests of traveling performers. It will also be remotely controlled, so that the lighting tech does not need to be stationary to control it.

The screen may be improved or relocated, in a 'roll down' configuration over the front area of the stage. The projector may also be moved from the current projection room, and possibly suspended from the ceiling and operated remotely, improving the picture quality as it traverses such a long distance. The concession area will be relocated to a more central location, redeveloped and expanded over three rows of seating to include prepared food, beer and wine. Bathrooms will be expanded and reworked to allow for ADA compliance, and to support, as much as possible, actual demand from the concert-going public. A 'green room' will be built in the rear area of the theater, and loading logistics will be considered at the back of the building.

At the rear of the theater, one or more areas will be reconfigured and leveled as seating areas, where patrons can stand or sit at tall bar-style tables.

The Developer will also work with the architect and with Bill McElroy, who is prepared (pending a deal with the Town) to relocate some portion of his current operation to the theater. That equipment will reside in a semi-permanent or permanent location, either at the center, rear of the theater at the back wall of the new concession, or; rear left on a new, vacated platform, or; one side of the stage, or; in the vicinity of the projection room. This decision will be made during the architectural phase of the project, and with Bill McElroy participating.

The restaurant will be developed in the existing adjacent space. A central combination kitchen and bar will be installed, with tables and chairs for 40+ customers. If an agreement can be reached with Mr. McElroy, and if the budget permits, at the east side

of the building the masonry may be punched through, and a patio created for additional outdoor seating. Such a configuration would increase the seating to approximately 70 patrons. A walk-in cooler, dry storage and bathrooms will be extended at the back of the structure.

The existing seats will be retained, though they will be reconditioned and/or recovered. The budget does not provide for replacement, and the VA DHR's recent decision rejecting the cost related to seating as an ineligible expense (Beacon Theater, 2014) limits the options regarding what can be done with them.

ADA-compliance is an important consideration, as is actual functional use of the bathroom facilities. The Developer does not believe that the current configuration is satisfactory to accommodating beer-drinking theater and restaurant customers when the facility is at or near capacity when the restaurant and concession is upgraded. The Developer proposes expansion of the bathroom facilities as much as physically possible in the current configuration of the space.

Almost all of these changes are designed to fit into the existing envelope of the building. No major or drastic changes are planned for the space. Waukeshaw will work *around* the space to enhance what is already in place.

CODE AND ZONING ASSESSMENT

At present, there is no action necessary regarding the zoning of the theater or the adjacent property. Both are zoned "B-1" which allow for the following:

ARTICLE X.

CENTRAL BUSINESS DISTRICT B-1, Sec. 21-92. Use regulations:

Item (6) Bakery, retail.

Item (36) Restaurants, excluding drive-ins.

Item (37) Retail sales establishments.

And . . .

Item: (39) Theaters and assembly halls.

Regarding code requirements, if the current configuration is retained, no changes would be necessary at the theater, and, generally speaking, the building would fall under the 'historic buildings' section of the code as rehabilitation of the building is undertaken. Discussions with the Fire Marshall have indicated that the only code or potential use considerations that might arise is from the removal of seats where clusters of customers might congregate, dance, or assemble. This consideration will be made on a case-by-case basis, and cannot be addressed until the final construction plans are submitted for permit.

NEW CONSTRUCTION DEVELOPMENT SIZING WITH DESIGN AND CONTEXT

While there will be small additions to the rear and/or east side of the subject property, there is no “new construction” of significant scale to address in this report.

PARKING STUDY

At present, there are only 4 – 5 parking spaces associated with the theater, directly in the rear of the structure. While this might accommodate a few employees, or performers, there is effectively no private parking directly available to the theater that is directly adjacent to it. There are, however, several city-owned lots available to patrons in the vicinity of the building, and there are several privately-owned lots whose owners are amenable to parking after hours.

Total number of public parking during day hours: 153, within 3 – 4 block radius

Total additional number in evening: 142, within 3 – 4 block radius

Total street parking spaces: 74, within 3 - 4 block area

In total, if all of the parking were theoretically available to theater patrons, there are 269 spaces available to the theater. There appears to be ample parking to accommodate theater patrons no matter the size of the production.

The biggest challenge may, in fact, be faced by the restaurant. It is intended that the restaurant run independently of the theater, and be open even when the theater is closed, and often during on-peak hours. While the traffic counts are very attractive to any potential restaurant, those same drivers are currently challenged to find a place to pull over and park in the immediate vicinity. Restaurant-only patrons are much less inclined to park 3 – 4 blocks away just to get lunch or dinner.

Please see the attached aerial map and parking study detailing the available parking.

PRELIMINARY DESIGN CONCEPTS/ BASIC RENDERING SKETCHES

Waukeshaw has addressed many logistical and economic challenges at the site, and has attempted to limit construction costs and stay within the envelope of the building, and work with the property boundaries to achieve the best result.

Basic logistical issues around concession (at the front of the theater) and loading, and a green room (in back) are critical to the efficient and marketable operation of a theater; sound is critically important, as is seating, stage function and lighting, among many other things. Accomplishing all of the goals of an operator determined to run a profitable operation is difficult on a limited budget, but not impossible.

Though the adjacent building proposed for the restaurant is not ideal for such a use (though it was historically a food service establishment), consideration was made for expansion of dry storage and bathrooms outside the current walls of the building, into the existing shell walls in the rear of the property.

Several renderings were considered, and two were proposed by the architect, and neither is 'in stone'. While this is not a final plan, it at least contemplates re-arrangement of the space, and helps identify potential financial outcomes.

Please see the attached space plan renderings.

ASSESSMENT OF ALL AVAILABLE INCENTIVES

Presently, incentives (other than the VMA feasibility grant) that do apply:

- IRF Grant – award confirmed, \$500,000
- Town of Ashland – matching funds, \$500,000

Incentives or grants that might apply include the following:

- State Historic Tax Credits – non-contrib. on register, eligibility needed
- Federal Historic Tax Credits - non-contrib. on register, eligibility needed
- Brownfields Grant, VA DEQ – up to \$25,000 with match, unknown at present
- Façade and other local grants – discussion necessary

Incentives that do not apply, or are not feasible to capture, include:

- Enterprise Zone – Real Property Grant – The town of Ashland does not contain an Enterprise Zone.
- New Market Tax Credits – The project is not large enough to syndicate NMTCs

HISTORIC TAX CREDIT ASSESSMENT AND TAX STRUCTURE

Currently the property is listed on the National Register of Historic Places as “Non-Contributing”. Taken at face value, any work done to the theater at present would not be eligible for State or Federal Historic Tax Credits. However, The Developer is experienced in establishing eligibility for historic structures not on the register. At present, he is working with Paige Pollard, of Commonwealth Preservation Group, and the Department of Historic Resources, which recognizes the iconic status of the Ashland Theater and its architectural importance to the town, to include the theater on the register.

There are two methods for including the theater on the register: First, a district ‘update’ which would require a significant amount of work and investment, requiring that the

entire district be re-evaluated. The second and better approach is an 'individual listing', specifically designating the theater as an important historic structure independent of the district as a whole. Should AMSA wish to pursue this project, the second approach will be pursued by the Developer.

Once on the register, the syndication of tax credits is not guaranteed. The IRS ultimately has oversight of the monetization of tax credits through the partnership syndication, and in this particular case, because the Town does not wish to sell the property and instead lease it, this presents an added complication to the ultimate syndication of the credits.

On leased, eligible property, when it comes to syndication of credits, the IRS only considers 'long term' leases as viable. In other words, in order to syndicate the tax credits, a non-owner *can* syndicate the credits if the tenant has control over the property in what is considered a long-term lease. The IRS has specific rules about the length of leases and what constitutes 'long-term', and to satisfy the parameters of 'long term', the Town will enter into a lease no shorter than 39-years. The IRS also places importance on how funds should flow through the project to receive and syndicate historic tax credits.

As a general rule, funds received as a grant are not tax credit eligible. This would mean that only the funds flowing into the project as matching funds provided by the Town of Ashland are eligible, and only the portion of those funds spent on eligible costs will result in tax credits.

The details regarding the reasoning and legality behind entity structures is much too expansive to explore here, though David Lionberger, of Hirshler Fleisher, advises that it is important that the funds spent on the project flow through the entity owned by the lessee, so that the 'for profit' entity can capture the tax credits.

Additionally, the amount of the credits will be important to consider in any calculation of cash value to the project derived from syndication. While state tax credits are relatively easy to syndicate, federal tax credits in small amounts are not marketable due to the long-term expense of administering them, and the ever-changing IRS rules around AMT (alternative minimum tax). Corporations are the typical buyers of federal tax credits, but in large amounts. Because of the costs associated with syndication, corporations do not consider small totals worthwhile. There is also the potential taxability of the funds received through syndication to consider.

If the IRF grant of \$500,000 is ineligible, then only the \$500,000 match would be eligible. Flowed through the for-profit entity, with syndication of the tax credits at \$0.70 per credit, the project would expect state credits as follows:

$\$500,000 \times 25\% \text{ state credits} \times \$0.70 = \$87,500$ minus expenses = \$60,000. Please see the calculation in the next section describing the various expenses involved in credit syndication.

While a “master tenant pass-through” structure is likely to be employed to syndicate tax credits and admit tax credit partners, it is premature to propose a specific entity structure at this time.

Please see the attached IRS directive regarding receipt of tax credits on leased property.

LIHTC ASSESSMENT, IF APPLICABLE

Low Income Housing Tax Credits are not applicable to this commercial project.

PROFORMAS, DEVELOPMENT BUDGET, AND PLAN OF FINANCE

The plan of finance is as follows:

Sources of funds for the project are:

IRF GRANT (DHCD):	\$ 500,000	Committed
TOWN MATCH:	\$ 500,000	Committed
State Credits (untaxed):	\$ 60,000	Generated via development
TOTAL	\$ 1,060,000	

The Town of Ashland was the recipient of an IRF Grant earlier this year. The Town has also committed a required matching grant of \$500,000 to the project.

Additionally, tax credits will be generated on the eligible portion of the project expenses. At present, the project is too small to attract a federal tax credit investor, so only state credits will be pursued.

The calculation of cash equivalents from the syndication of State Historic Tax Credits is as follows:

[Non-Grant, “eligible” expenses (a.k.a. the “Qualified Rehabilitation Expense”)] X [25% State Tax Credit] X [the syndication value, or price per credit] = Gross Cash Equivalent, minus expenses = Net Cash Equivalent.

In this case, the Developer assumes that ALL of the town contribution will be spent on eligible items, resulting in a QRE of \$500,000.

The Developer also assumes that the syndication pricing for the state credit will be \$0.70/State Credit.

Therefore, the Gross Cash Equivalent is: $\$500,000 \times 25\% \times \$0.70 = \$87,500$

Because the theater is not yet on the register, the cost to syndicate credits will be slightly higher. The expenses to syndicate the credit will be approximately \$26,000, and will comprise:

Application to DHR:	\$ 1,500
Historic Consultant:	\$ 12,500
Legal:	\$ 8,000
Accounting:	\$ 4,000
TOTAL	\$ 27,500

Therefore, the net total cash equivalent of the State Historic Tax Credit will be approximately \$60,000, and is calculated this way:

\$87,500
<u>-\$27,500</u>
\$60,000

HTC LOIS, IF APPLICABLE

Currently, the project is not listed as a 'contributing structure' on the National Register of Historic Places, therefore it is not possible to obtain LOIs at this time. Should the project move forward, the developer will work with the Consultant and negotiate with partner tax credit buyers to obtain LOIs and syndicate the tax credits, if available.

LEAD AND ASBESTOS ASSESSMENT (AND OTHER ENVIRONMENTAL CONCERNS)

At present, there is a considerable amount of asbestos, in various forms and concentrations, present throughout the building. Most noticeably, asbestos tile covers the entire surface of the theater flooring, as well as the office and projection rooms. It is also present in some roofing mastic, some exterior joint and window putties, and in smaller quantities in the plaster walls. Current abatement estimates approach \$30,000, and this number does not contemplate total removal of any asbestos contained within the plaster.

The Developer does not, however, recommend a total abatement (removal) of the asbestos materials. While it does recommend removal of the asbestos tile on the theater floor, it may not be necessary to remove it from the office or projection room where it is not in 'friable' form, and can be potentially encapsulated. Regarding the plaster, it will be necessary to hire a licensed environmental contractor to handle plaster demolition and repair where necessary, but the Developer seeks to minimize this in the construction scope to the greatest extent possible.

Because of the age of the structure, lead paint is invariably present – however the approach to abating it will be to first bag and properly dispose of any debris and dust from areas that need to be prepared for painting, then to encapsulate all existing paint with new, lead-free paint.

Additional environmental concerns include the presence of a leaking underground oil tank. While this tank has been removed and a Phase II completed, the Developer is seeking, but is not yet in possession of, a closure letter from the DEQ. The DEQ has confirmed that a tank closure letter was issued, but because it cannot be located, and because the Developer is not yet an agent of the Town of Ashland, the Developer has filed a Freedom of Information request for the document. The Developer has received an email from DEQ that the document is forthcoming, though it has not yet been delivered.

See the attached tank abatement and closure letters from French.

See the attached asbestos survey, and asbestos abatement proposal from French.

MARKET STUDY/DEMAND

This component of the feasibility study was eliminated at ASMA request, and approved by Kyle Meyer.

DRAFT BUSINESS PLAN AND PROFORMA CASH FLOW FOR OPERATION OF THE NEW FACILITY

The Ashland Theater will be rebranded as a live music and performance venue. Additionally, the building next door will be converted to a restaurant, and the two buildings will be internally connected. The goal is to prioritize eclectic music performance and other live events with small productions, such as comedy, lecture and small troupe theater productions, embodying a spirit much like Austin City Limits or the Richmond Folk Festival, while at the same time affording customers a unique dining experience, and the operator with varied income streams via shared incomes and/or rent from the restaurant space, merchandising, rental contracts, etc.

Developed and branded properly, the theater—in its excellent location right off of I-95—will attract many high-caliber performers traveling between Washington DC and the Raleigh-Durham area and beyond, and will become a preeminent small venue and listening room, with great concessions, filling a niche that does not presently exist in the Richmond metro market. As such, the Ashland Theater might also partner with local or regional PBS stations to broadcast its productions, work with local and regional sponsors and/or like-minded business partners and vendors to create a unique, Ashland-centric product that appeals to customers throughout the Richmond metro market and beyond.

In addition to for-profit events, theater will also be available to non-profit and community interests. The Developer will set aside one night per week for community and non-profit interests to ensure the community has an outlet at the theater (and more as the schedule permits), and some minimum use fee will be established in order to cover minimum expenses incurred no matter the use. The fee will be calculated (or 'tiered') in such a way as to cover basic costs and expectations of the user, which might comprise (but not be limited to) things such as sound operators, lighting techs, stage managers, concession workers, janitorial, insurance, utilities and other overhead. The 'break-even' cost to operate the theater—removing COGS, artist guarantees, marketing and other event-related expenses—is estimated to be \$500 per day, making the lowest possible basic rental rate approximately \$600 or more.

In the first fiscal year, the theater will seek to host 30 – 40 live music or performance events, with that number doubling and tripling in subsequent years as the business grows. Interspersed with these live music performances, the theater will test other events such as specialized movie showings, or curated film series and specialized offerings.

For theater operations, Waukeshaw has secured a proposal from Walker Events/James River Entertainment (The National, Pocahontas Live, Celebrate Virginia Live (Fredericksburg), etc.); and for restaurant operations, Waukeshaw is in negotiations with Caleb and Michelle Shriver of Dutch and Company, one of Richmond's most celebrated restaurants, for a specialty restaurant concept.

The theater will also be available for rent to any number of private or non-profit groups who wish to use it, from political organizations, to worship groups, to sports organizations. Aside from the community-use group rate above, standard rental rates will run between \$1000 and \$1500.

Contrary to conventional wisdom, ticket sales are not the primary source of income in a theater setting, no matter the offerings. Depending on the performer, artist 'guarantees' and sales splits can erode any notion of income at the box office. Instead, the theater benefits from the ancillary income derived from customers coming to those events: concession sales, beer sales, merchandise sales, and income from the shared income at the restaurant.

The Developer sees the theater and restaurant as one organic unit, but also demands from the restaurateur the ability to operate and profit independent of the theater. In other words, when the theater is open, so also should the restaurant be. And when it is closed, the restaurant should operate as if the theater was not associated with it. Because of the nuance in ABC laws and the shared space setting, Waukeshaw will partner with the restaurant operator in such a way that the restaurant operator will also staff and supply the concession, and Waukeshaw will split some portion of the gross overall income to fund theater operations.

Special consideration must be given to ABC licensing. While specific, individual theater rental customers might apply for a banquet license to have one specific event, the theater itself should have one ABC license that covers both the restaurant and the theater, so that theater customers will be able to carry alcohol between the two locations.

Another consideration is the concession itself. The concession and restaurant will be major economic drivers of the theater operations, and the concession should be heavily developed, with beer on tap and food offerings well beyond candy bars and popcorn. A popcorn bar is being considered, for example, in a separate corner of the lobby than concession (with additional beer taps), with many different toppings and types; and the central concession front and center, and pushed into and over two rows of seating, thereby accommodating a variety of food offerings prepared by the restaurateurs, and four taps of craft beer.

This development being very Ashland-centric, the Developer has engaged Phil and Chris Ray, owners of Center of the Universe Brewing. The Rays are very interested in participating in this project in some fashion, and while it is still unknown exactly what role they might play, it is the intent of the Developer to exclusively serve COTU on tap in this Theater, further enhancing the Ashland brand.

In its first year, once fully operational, there will be 100 'paid' events of some kind at the theater, with the balance of the schedule either leased to others, or consumed by the once-weekly (or more) non-profit/community events. Under that scenario, the theater will be in use approximately 150+ nights per year, and then theater offerings will expand.

The Developer has made certain assumptions about demand that inform the financial projections. While ticket prices may sometimes climb as high as \$35, the Developer assumes average ticket prices in the \$15 range, and occupancy of 70% seats sold at those prices.

The Developer/operator will also actively seek sponsorships, with the intent of attracting between \$30,000 and \$100,000 annually in sponsorships for concert series, playbill advertising, hotels (for visiting artists), marquee events, special events, etc.

A development and construction budget is attached to this document, and the Developer has made every effort to keep total expenditures within the current known budget of \$1,060,000. Note that the expenses are not simply related to construction – also referred to as 'Hard Costs'. This is a very detailed, planned, branded concept that requires much pre-planning, design and administration and as such, more than 30% of the budget is slated for those costs, known as 'Soft Costs'. See the attached budget for details.

The mechanical, electrical and plumbing infrastructure will be improved and upgraded as part of this development. The electric work will be critical and expensive, in support

of the many upgrades being made to the lighting, sound and projection components. Part of this scope includes the 'low voltage' infrastructure, supporting the high bandwidth operation of the sound, lighting and projection equipment, along with the POS and communications needs, as well as security and access control.

HVAC repair estimates, per James River Air, once approached \$100,000, though recent work to the system has left the main unit working. As such, the Developer has budgeted \$40,000 for system repairs, moving equipment in the mechanical room, or possibly downsizing and relocating the chiller in the rear of the property.

Because the theater will be leased from the Town of Ashland, the financial projections assume that the Town of Ashland will maintain responsibility for the envelope of the building as well as basic infrastructure and mechanical equipment, as with any landlord-tenant arrangement. The specifics of this arrangement will be further outlined and negotiated in the formal lease.

As was previously discussed, there is a very wide array of choices that could be made about the level of sound quality, lighting and projection, and again, the Developer has made choices with two goals in mind: 1) conform to the budget, and 2) create something that offers customers a fantastic experience that makes them want to return. This does not mean the Ashland Theater will have the most technologically superior equipment – the budget will not allow for that. We will likely not be state-of-the-art in any technical capacity.

Projection, for instance, should be high-quality and contemporary, with adequate power (lumens) and the right lens to project a high-quality image, and the right technology to accept data (films, etc) in the format that is currently being distributed (4K, etc). To this end, a top-of-the-line Christie projector, the lens and accouterments may cost \$50,000. Conversely, on the used market, there are any number of 2K (or lower standard) projectors for a fraction of this total. It must be acknowledged that going with a projector with old technology will hamstring the business and offer a sub-par experience for the customers and performers. The Developer recommends a solution in the middle: The purchase of a lesser-known but equally sufficient "4K" quality such as the EIKI brand. An EIKI can deliver the same quality as the Christie for \$10,000 cheaper, while still supporting both movies and live shows.

This approach to equipment—the amount of it, the quality of it, etc.—has greatly informed the development plan, and the hard cost budget, outlined here.

The Developer also has also budgeted part of the hard costs on restaurant equipment for both the restaurant and the concession area, rather than demand that the restaurateur supply its own equipment. The reason for this is stability: If the restaurateur does not perform, or does not stay on point with regard to the branding concept, the developer must maintain the ability to make changes (i.e. evict the restaurateur) and seek a new restaurant partner with as little possible disruption of the business and theater operation as possible. This can only be done with total control of the turn-key

staged restaurant, so that the vision and branding can be closely followed. If this was left to the restaurateur, the Developer loses control of the brand, and in an eviction process, the potential loss of many months worth of business to dark space, finding new partners with proper capital and time lost to the moving and rebuilding process.

This is a unique concept, and because the Developer will be also asking the restaurateur to cater the concession, that control is even more important. Control over the equipment, the brand, the space and the time and the experience is key to success of the theater. A combined, seamless, shared-profit scenario is one that works best, but it must be controlled at a level above the sub-tenant entity (the restaurant).

Please see the attached budget, and profit and loss projections for one-year and five-year terms.

PROJECT TIMELINE

Before construction can begin, the project must undergo a round of administrative work, assembling construction drawings, permit review, applications to the DHR, etc. Waukeshaw projects a one year timeline for the project, five to six months of which will be spend on administrative tasks.

July 1	Close on the lease Submission of Part 1 to DHR
Aug 1	Construction Documents Prepared, Engineering begins
Aug 30	Submission of Part 2 to DHR
Oct 1	Pricing verified
Nov 1	Groundbreaking – Demolition Phase begins Booking Begins, Theater Ops Branding begins
Dec 1	Roof repair, masonry begins, Concrete
Jan 1	Framing
Feb 1	Rough In, all trades , windows, storefront Rough in Wiring, LV infrastructure
Mar 15	Sheetrock, plaster repairs Marquee repairs
Apr 1	Floor finishes, paint
Apr 15	Trim
May 1	Accept delivery of equipment
Jun 1	Punch, final clean
Jun 30	Project Completion and Certificate of Occupancy

CASE STUDIES

Waukeshaw studied many theaters across the country to understand the various components of what made each interesting or successful. An overwhelming majority of

theaters were run by non-profit organizations, and many are not run as ‘businesses’ per se, but are instead charged with the continued support of donors and capital campaigns to keep their doors open.

Waukeshaw showcases two here, specific to Virginia, which have about them a high level of access to information (Hopewell’s Beacon Theater), and one that shows great success with their programming despite being in a ‘challenging’ location (Marion’s Lincoln Theater).

THE BEACON THEATER, HOPEWELL VA

Waukeshaw chose to study the Beacon Theater because it was afforded a high level of access to the building, operations, design and development background. The Beacon opened in 2014 after many years as a derelict structure. After a \$4.2M restoration, the theater hosted approximately 40 concert events last year, and hopes to host between 60 and 70 events in the current fiscal year. Seating capacity is 660. The Beacon also offers two banquet rooms for rent on its second and third floors.

There are ample ancillary spaces for performers ‘green rooms’, and back-of-house operations such as a washer and dryer, storage, etc.

The City of Hopewell formed its own for-profit entity that owns the theater, and initially contracted management to Brad Wells of Sea of Sound. There is no other development entity involved other than the City of Hopewell.

Because of its seating capacity, promoters have been able to attract performers of somewhat larger stature, though the Beacon has—without purposely intending it—positioned itself as a venue that showcases performers once popular in the past. Speaking with the parties involved, this happened because of the lack of proper brand positioning and planning. There was, in fact, no attention paid to it, and the booking agent was given no direction, and instead booked what he thought might make money. The performances began to dictate what the brand was, and to some extent, that is still being figured out as new a new booking agent comes on board.

Despite its seat count, the average show appears to command sales of 300+ seats, which is an interesting finding relative to the capacity of the Ashland theater.

The city also aggressively seeks a quality restaurant in the vicinity of the theater to offer a better experience for concert-goers. There is a very limited concession on site, and currently the town contracts with Papa Johns pizza to cater the concession during concert events. Gross income at the concession can approach \$3,000 on evenings of a well-attended show.

The theater has had some growing pains, mostly around the management of Wells’ company, Sea of Sound. Wells was removed from the post in spring of 2014 under accusations of mismanagement. Walker Events replaced Wells at that time, though the

City is in active negotiation with Laurin Willis/James River Entertainment (formerly of the National) to take the operational helm, with assistance from Walker Events. It is also understood that the theater was built without close consultation between theater operators and the ownership entity (with the architecture group making decisions), and certain improvements are underway with regard to loading, logistics, etc. A marquee was not planned into the original scope, and was recently added.

Theater management now seeks to attract other sources of income that were not planned during the development stage: movie nights, theater events, special events, etc., though this effort is not being driven by the ownership group, leaving a void in branding and direction. This should improve with new management.

THE LINCOLN THEATER, MARION VA

The Lincoln Theater represents a successful *brand* in a very small-town setting in rural Virginia. Dating to 1928, the elaborate Lincoln Theater was built by a prominent citizen to be the 'premier movie house in Southwest Virginia'. The theater operated for 44 years before closing permanently in 1973.

In the late 1970s, The Lincoln Theatre Foundation obtained the structure but it was not until the 1990s that \$1.8 million was raised to complete the project. The theater reopened in 2004. With 500 seats, the Lincoln Theatre offers events year-round and is available as a venue to touring companies, performance groups, and individual artists. The Lincoln Theatre, Inc. is run by a non-profit 501(c)3 corporation.

At present, the theater is most famously known for hosting the PBS series "Song of the Mountains", which airs on more than 120 PBS stations throughout the country.

Representatives of the Town of Marion place a great deal of importance on the economic impact that "Song of the Mountains" has on the Town. Marion Mayor David Helms and other Town Council members have credited the series with "putting Marion on the map." The non-profit organization owns the "Song of the Mountains" program, which has featured such performers as Doc Watson, Ralph Stanley, J.D. Crowe, and Doyle Lawson during its ten years of production. Genres have included bluegrass, old time, and Americana. The theater also hosts any number of performances and theater groups.

The theater offers a rental component, in staged levels of service. The theater can be rented by businesses, groups, or individuals based on availability. Standard rates are \$600 or 10 percent of ticket sales, whichever is higher. The non-profit rate per performance is \$450 or 10 percent of ticket sales, whichever is higher. Schools are eligible for a special discounted flat rate of \$350. None of those rental services come with any technical assistance, labor, etc., or include use of the sound system or lighting.

Costs escalate for technical assistance: the Theatre provides technical staff for its sound system at a minimum cost of \$300 per performance. For renters who opt to contract with an outside certified sound tech and do not have their own sound equipment, a fee of \$150 will be assessed to use the theater's sound system. If specialized lighting is required, technical staff will be provided at a cost of \$200 per performance.

The theater also leases the building for rehearsals. Rates are \$85 per hour; non-profit rate per rehearsal is \$55 per hour.

All users are required to obtain liability insurance policy in the minimum amount of \$1,000,000. A certificate of insurance must be submitted to the theater at least five business days before the rental date.

The Theater also offers a service of providing professionally printed tickets at a cost of \$85 per performance. This fee includes setup, printing, and delivery of 500 tickets. If tickets are sold in the box office, the renter must agree to accept the following specific forms of payment dictated by the theater.

Still, for all the sources of income, the theater still struggles. Although the Lincoln receives financial support from the Town of Marion, the Bank of Marion, the Ellis Family Foundation, and others, these contributions along with ticket sales for Song of the Mountains concerts fall short of paying for the show's production, and at its most recent meeting, the Lincoln Theatre Board of Directors voted to suspend production of the Song of the Mountains for a period of approximately six months and undergo a branding campaign.

TEAM

Waukeshaw Development has assembled a team of very high-caliber vendors to the theater project, which will ensure the successful development, building and eventual operation of the theater. They include:

DEVELOPER – Waukeshaw Development, Inc. Dave McCormack, President

ARCHITECT – StudioAmmons – Terry Ammons, Principal

STRUCTURAL ENGINEER – JRA, Jeff Robinson, Principal

GENERAL CONTRACTOR – Haase Inc, Kristofer Haase, President

ENVIRONMENTAL – Ecom, Dave Billett, PE and Joe French, French Consultants

BRANDING – Joe Smith, Christian Markow, Principal

DESIGN – A for Adventure, Jon Goldberg

RESTAURANT – Dutch and Company, Caleb Shriver (not yet committed)

ACCOUNTING – Gregory and Associates, Brian Wilkins, Partner

LEGAL/TAX CREDIT – Hirschler Fleisher – David Lionberger

HISTORIC CONSULTANT – Commonwealth Preservation Group, Paige Pollard

BOOKING AND THEATER MANAGEMENT – Walker Events, Jason Walker

INVESTMENT ANALYSIS AND SUMMARY

Waukeshaw believes that the Town of Ashland, with the help of DHCD, has been very progressive in their approach to this project, removing it from private sale in favor of financing and participating in a focused venture that attracts Development and a good approach to the business. As was evident in the very few responses received to the RFP for development of the theater, this is a high-risk project for any private party. The project requires specialized operational knowledge; and has varied, specific uses under one roof. The business model is risky and demands talented management for a relatively small project. Parking, though available, is still a major concern. It may take several years to grow the business and bring the theater to full capacity, and it is critical to not be overly ambitious with its offering at the outset, identify operational issues, and employ a methodical approach to growth and expansion of offerings.

The Theater does offer some attractive opportunities: While Beacon offers 600+ seats, it is only selling 300 – a metric that bodes well for the Ashland Theater. There is also no real competitor in Richmond market. The theater’s location in Ashland makes it attractive for a developer seeking a more monied demographic, and a slightly older, college-educated crowd eager for its eclectic offerings. It is also not in downtown Richmond, which is a positive thing. Downtown is still considered by some to be dangerous or difficult to navigate. On top of it all, Ashland itself has a strong brand, and the theater can piggy back on that to some extent. In other words, this will not be a tough sell.

With the challenges in mind, it will take a unique developer/operator to assemble a qualified, talented team to the multi-use development, create several successful components to the project under one roof; attract high-caliber performers, while offering affordable ticket prices and guarantees to performers; and effectively brand the project and create a seamless, fun, effortless atmosphere for customers.

Formal numerical analysis is included in the attached profit and loss projections. Many of the assumptions made there have been described in detail in this document, and are estimates only.

WAUKESHAW
Ashland Theatre Concept

JOE SMITH

Our *Opportunity*

The Blue Bird in Nashville. The Crocodile in Seattle. The 40 Watt in Athens.

These places aren't just clubs, they were catalysts. Small venues that launched small cities onto the world stage. They championed the right music at the right time. But also, they were **the right place**.

They were places that captured the true character of their community. That inspired people to return again and again, just because. Ultimately, they were places that catalyzed the cultural and economic growth of their home towns.

Our region has a fair amount of venues, but there's nothing you can build a scene around. Nothing with a real sense of place.

But, right now, in a dark theater in Ashland, we can sense the dawn of a new era.

The *Intent*

Early talk has expressed two clear, yet seemingly contradictory views of what the venue could and should be.

*“[Mayor Spagna] said the community vision is to transform the theater into a **community center** for musical performances, comedy shows, plays and movies.”*

- *Richmond Times Dispatch, November 13, 2014*

*“[repurpose] the theater into a performing arts venue, to support Ashland’s Main Street vision of being a **‘thriving destination** location’ for arts and culture.”*

- *Preservation Virginia, 2012 Annual Report*

The *Question*

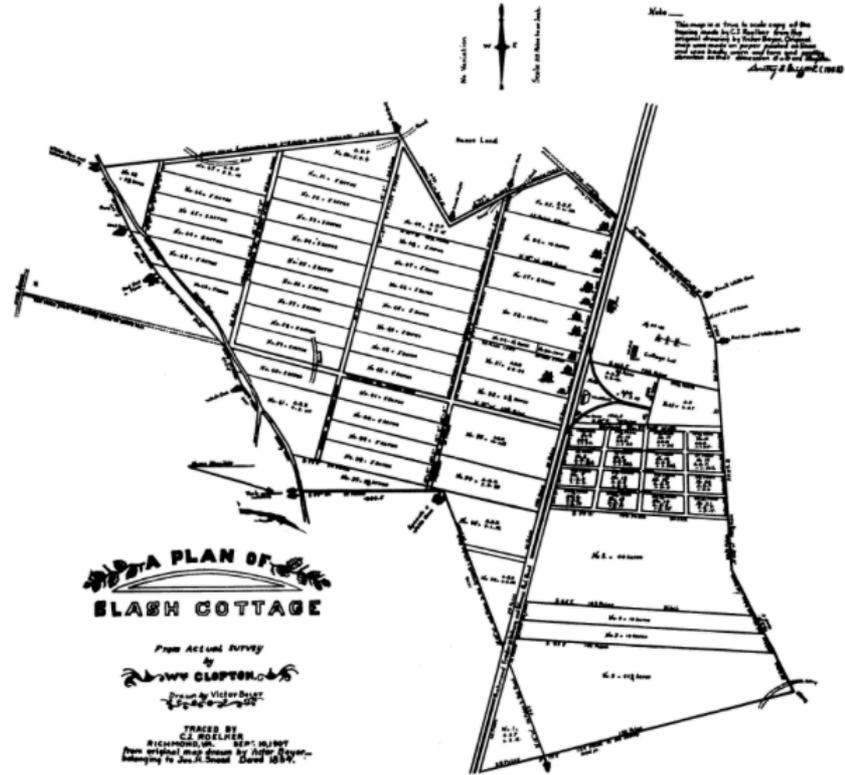
How do we create an experience that can stand on a **national** level but still feels right at home in **Ashland**?

The **answer** can be found in the very origins of the town itself.

The Story

Before Ashland was a town, it was a destination.

Slash Cottage was a mineral springs resort that became so popular, it would eventually grow into the Ashland we know today.



The Other Side

But, in addition to its healthful mineral springs, Slash Cottage also featured two bars, indoor/outdoor dining, a ballroom and a bowling alley!



*“The saloon will be used for **dancing**. In the rear...five or six huge tables, intended for the **feast**. The whole party set out for home a little after sunset, pleased with the *Slash*, pleased with the proprietor, delighted with his **bacon**, and all of them in ecstasies about his **champagne**.”*

– Richmond’s Weekly Dispatch
April 2, 1851

The *Big Idea*

Ashland is rooted in special kind of **hospitality**. A ballroom and a bowling alley. Champagne and bacon. Sophistication and small town charm.

The experience we create should bring that history to life in the present and help to inspire the next chapter of its evolution.

The Average Venue



When you picture the typical concert-going experience, *hospitality* is the last word to come to mind. You wait to be let in; you struggle to get a bartender's attention. You crowd shoulder-to-shoulder for a view of the stage. Your entire experience is dictated by the environment—it is cold, anonymous and purely **transactional**.



But what if...



What if our guests were made to feel like...*our guests*?

What if the environment was rich with stories to discover and spaces to explore?

What if the food, drink, service and overall experience inspired people to return regardless of who was headlining?



welcome to...

A place that feels less like a venue and more like a home. (Albeit, the home of a stylish, slightly eccentric person who lives to entertain.) Where a spirit of warmth and generosity guides how the staff interacts with guests, performers and each other.

A place where the entertainment is thoughtfully curated and refreshingly intimate. Where the food and drink service is deceptively simple, and unbelievably good.

A place where sophistication and small-town charm blend seamlessly into a unique experience, grown from the character and history of our community.
True Ashland hospitality.

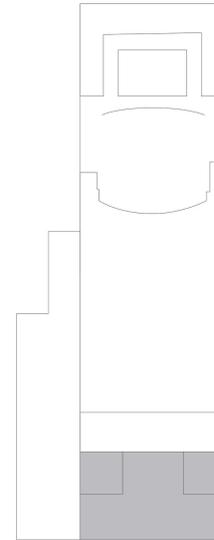


welcome to ***The Ashland***

Our Lobby

The spirit of hospitality is apparent the moment you walk through the door.

A host mingles throughout the venue, greeting guests, guiding them where they need to go, and ensuring a great time is had by all. The room is rich with the character of our community—subtle, art-deco flourishes echo the history of the theater, and quirky found objects nod to Ashland’s history. All the while, an infectious energy, stimulating sounds and amazing smells draw you further in.





Lobby



Inviting



Energetic



Quirky



Warm



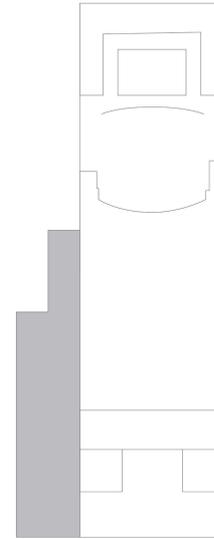
Our Restaurant

POTLUCK at The Ashland

Any host knows that, no matter how you dress up the dining room, everyone winds up in the kitchen.

Potluck embraces this impulse with a space that feels and functions like an extended communal kitchen.

Each evening, for a designated period, the chefs at *Potluck* lay out a smorgasbord of fresh, simple, seasonal fare. Guests move freely about, selecting their items then grabbing a seat at communal and café tables. An adjacent outdoor garden allows for al fresco drinking and dining, adding a dose of energy to the Main Street strip.



Restaurant



Casual



Fresh



Festive



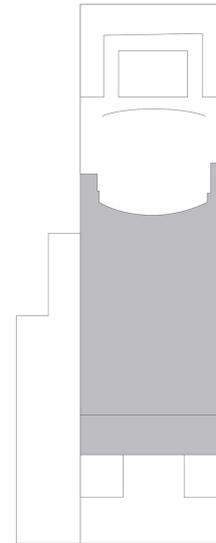
Communal

Our Music Hall

For audience members *and* artists, shows feel less like a performance and more like a private party.

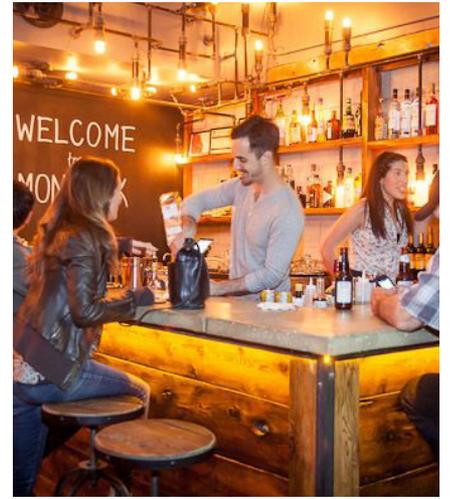
The space is dimly lit and intimate. The stage is an extension of the room, closing the divide between performer and observer—amplified by the clarity of a state-of-the-art sound system.

The concession bar is a highlight—with local beers, perfect cocktails, an inspired wine list, and delicious house-made snacks from the *Potluck* kitchen. A lounge-like vibe permeates the surrounding area, creating a sweet spot for those who want to enjoy the show without losing the freedom to mingle and move.





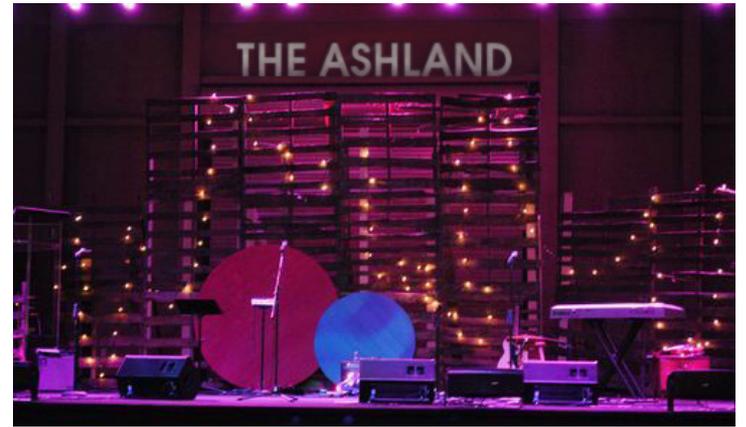
Comfortable



Relaxed

Intimate

Music Hall



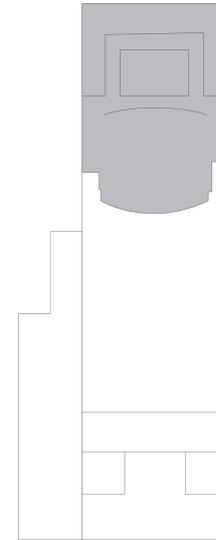
Cool

Our Entertainment

Guests flock to *The Ashland* because it delivers an experience you can't find anywhere else.

A smartly curated, yet eclectic, event schedule earns the reputation that, if it's on stage at *The Ashland*, it's worth checking out.

The venue won't only be distinguished by who performs there but *how* they perform. There is no "fourth wall" at *The Ashland*—as artists are encouraged to interact with the crowd, go "off script" or share some of the stories behind their work.



Entertainment



Curated



Eclectic



Engaging



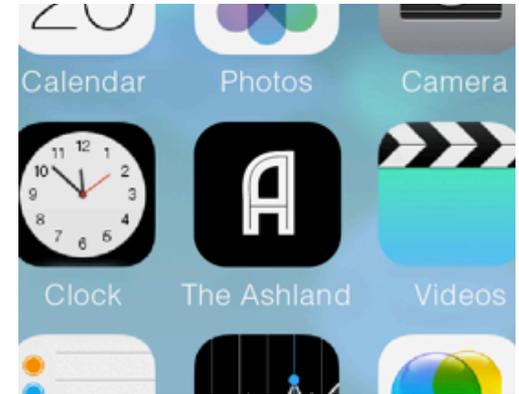
Personal



Opportunity to *Evolve*

A strong brand is a platform for endless possibilities. Once the fundamentals of The Ashland experience are in place, there are myriad opportunities to expand our brand. For example...

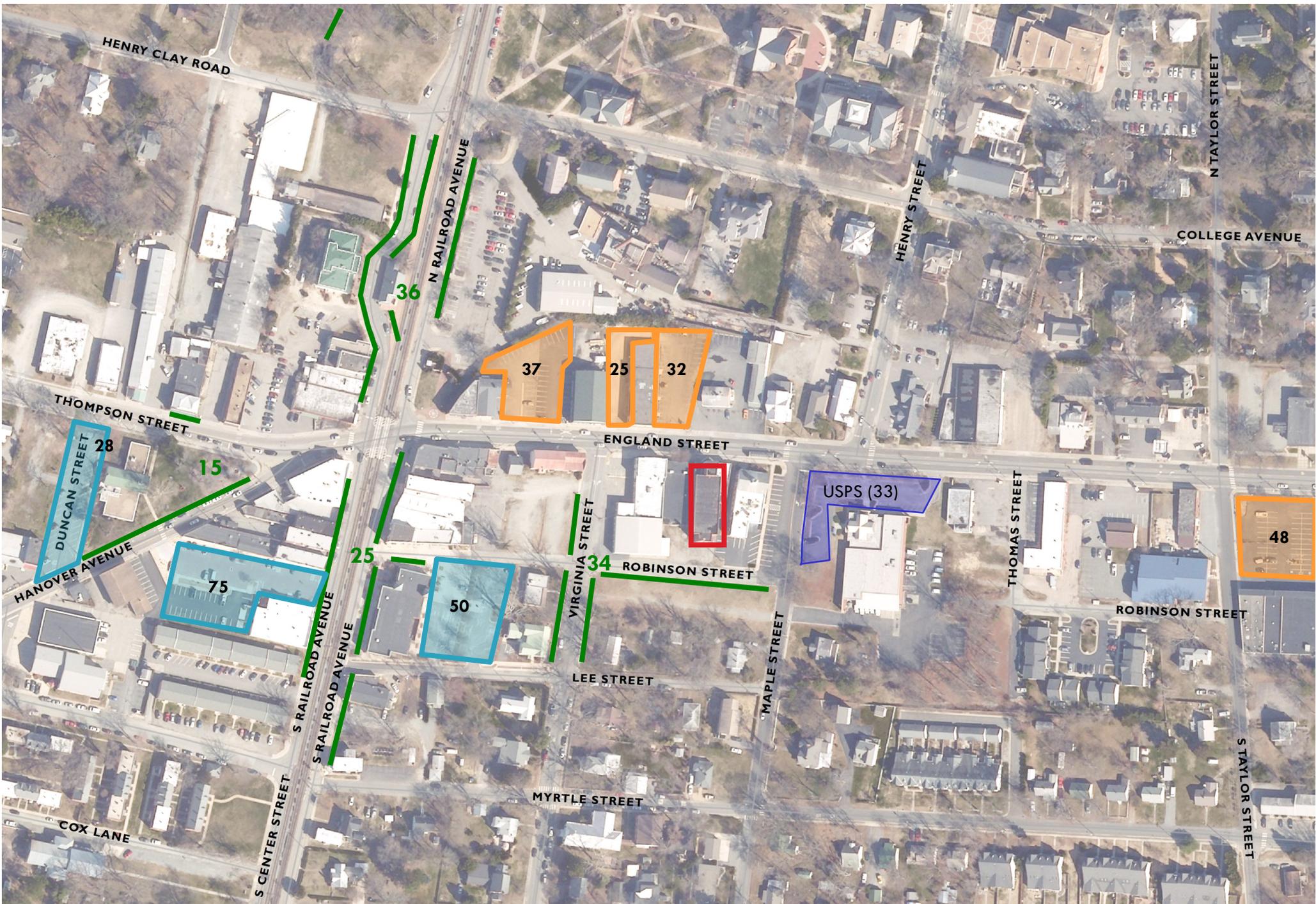
- **The Ashland App:** Create a simple app using existing technology platforms that, in addition to viewing events and menus, allows guests to have food and drink delivered directly to their seat inside the venue.
- **Pop-up Performances:** Heighten the “expect the unexpected” spirit of The Ashland with surprise performances throughout the space (restaurant, patio) and around town.
- **“Dinner IS a Movie” Night:** Host ticketed events that pair the screening of a popular food-focused movie (Chef, Julie & Julia, The Hundred-Foot Journey, etc.) with a prix-fixe menu to match.
- **Potluck 2.0:** Turn Main Street into a Mecca for foodies everywhere by expanding the Potluck concept to include collaborations with guest chefs from around the region, across the country and beyond.



Logo Options



Appendix B: Parking Study



Ashland Theater - Downtown Parking

- Public
- Private (evening possible)
- On-Street
- Theater

Parking Total = 405

Public: 153
 Private: 142
 On-Street: 110



Appendix C: Financials

ASHLAND THEATER
12 month projection - Profit and Loss

	July '16	Aug '16	Sept '16	Oct '16	Nov '16	Dec '16	Jan '17	Feb '17	March '17	Apr '17	May '17	June '17	One Year
GROSS INCOME													
Ticket Sales: 30+ev	\$12,600	\$12,600	\$12,600	\$12,600	\$12,600	\$12,600	\$12,600	\$12,600	\$12,600	\$12,600	\$12,600	\$12,600	\$151,200
<i>Restaurant Ops</i>	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648	\$52,167	\$53,732	\$56,419	\$59,240	\$62,202	\$65,312	\$68,578	
<i>Concession Ops</i>	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	
Shared Revenue	\$11,000	\$11,270	\$11,548	\$11,835	\$12,130	\$12,433	\$12,746	\$13,284	\$13,848	\$14,440	\$15,062	\$15,716	\$155,312
Lease to Others	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$48,000
Movie Showings	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Merch and Merch Spl	\$600	\$612	\$624	\$637	\$649	\$662	\$676	\$689	\$703	\$717	\$731	\$746	\$8,047
Sponsorships	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
TOTAL GROSS INCOM	\$31,700	\$31,982	\$32,272	\$32,571	\$32,879	\$33,196	\$33,522	\$34,073	\$34,651	\$35,257	\$35,894	\$36,562	\$404,559
EXPENSES													
Rents	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$12
COGS Food cost)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COGS (merch/Other)	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Artist Guarantees	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$84,000
Sales Taxes on Retail O	\$655	\$655	\$655	\$655	\$655	\$655	\$655	\$655	\$655	\$655	\$655	\$655	\$7,860
Payroll + Payroll tax	\$9,583	\$9,583	\$9,583	\$9,583	\$9,583	\$9,583	\$9,583	\$9,583	\$9,583	\$9,583	\$9,583	\$9,583	\$115,000
Merchant Svcs	\$378	\$378	\$378	\$378	\$378	\$378	\$378	\$378	\$378	\$378	\$378	\$378	\$4,536
Bank Services	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,800
Dues/Subscriptions	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$600
Licences	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
BMI/ASCAP/SESAC	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$1,000
Bulbs, Equipment	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Janitorial	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$19,200
Accounting/Bookkeepin	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$7,000
Advertising/mkting	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Insurance	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Yard/Lawn/Snow	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
Legal	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
Misc	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Repairs and Maint.	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$4,800
Equipment Rental	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Supplies, other	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Trash and waste remov	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$185	\$2,220
Utilities	\$3,100	\$3,162	\$3,225	\$3,290	\$3,356	\$3,423	\$3,491	\$3,561	\$3,632	\$3,705	\$3,779	\$3,854	\$41,577
TOTAL EXPENSES	\$28,619	\$28,681	\$28,744	\$28,809	\$28,875	\$28,942	\$29,010	\$29,080	\$29,151	\$29,224	\$29,298	\$29,373	\$347,805
EBTIDA	\$3,081	\$3,301	\$3,528	\$3,763	\$4,004	\$4,254	\$4,512	\$4,993	\$5,500	\$6,034	\$6,596	\$7,188	\$56,754

ASHLAND THEATER

5 year projection - Profit and Loss

	2017	2018	2019	2022	2021
GROSS INCOME					
Ticket Sales (30 ev)	\$151,200	\$158,760	\$166,698	\$175,033	\$183,785
<i>Restaurant Ops</i>	\$644,784	\$657,680	\$670,833	\$684,250	\$697,935
<i>Concession Ops</i>	\$120,000	\$121,200	\$122,412	\$123,636	\$124,872
Shared Revenue	\$152,957	\$155,776	\$158,649	\$161,577	\$164,561
Lease to Others	\$48,000	\$48,960	\$49,450	\$49,944	\$50,444
Movie Showings	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Merch and Merch Split	\$8,112	\$8,274	\$8,440	\$8,609	\$8,781
Sponsorships	\$36,000	\$37,080	\$38,192	\$39,338	\$40,518
TOTAL GROSS INCOME	\$402,269	\$414,850	\$427,429	\$440,501	\$454,089
EXPENSES					
Rents	\$0	\$0	\$0	\$0	\$0
COGS Food cost)	\$0	\$0	\$0	\$0	\$0
COGS (merch/Other)	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753
Artist Guarantees	\$60,000	\$63,000	\$66,150	\$69,458	\$72,930
Sales Taxes on Retail Ops	\$7,860	\$8,238	\$8,635	\$9,052	\$9,489
Payroll + Payroll tax	\$121,000	\$123,420	\$125,888	\$128,406	\$130,974
Merchant Svcs	\$7,560	\$7,938	\$8,335	\$8,752	\$9,189
Bank Services	\$500	\$505	\$510	\$515	\$520
Dues/Subscriptions	\$600	\$536	\$536	\$536	\$536
Licences	\$6,000	\$6,000	\$6,000	\$6,120	\$6,242
BMI/ASCAP/SESAC	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126
Bulbs, Equipment	\$3,600	\$3,708	\$3,819	\$3,934	\$4,052
Janitorial	\$19,200	\$19,392	\$19,586	\$19,782	\$19,980
Accounting/Bookkeeping	\$4,250	\$4,378	\$4,509	\$4,644	\$4,783
Advertising/mkting	\$20,000	\$22,000	\$24,200	\$26,620	\$29,282
Insurances	\$12,000	\$12,240	\$12,485	\$12,734	\$12,989
Yard/Lawn/Snow	\$2,400	\$1,800	\$1,800	\$1,800	\$1,800
Legal	\$3,000	\$3,150	\$3,308	\$3,473	\$3,647
Misc	\$12,000	\$12,600	\$13,230	\$13,892	\$14,586
Repairs and Maint.	\$6,000	\$6,120	\$6,242	\$6,367	\$6,495
Equipment Rental	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Supplies, other	\$1,200	\$1,200	\$1,224	\$1,248	\$1,273
Trash and waste removal	\$2,220	\$2,331	\$2,448	\$2,570	\$2,698
Utilities	\$41,892	\$43,149	\$44,443	\$45,777	\$47,150
TOTAL EXPENSES	\$344,282	\$354,914	\$366,774	\$379,328	\$392,495
EBTIDA	\$57,987	\$59,936	\$60,655	\$61,173	\$61,593

All figures subject to change

ASHLAND THEATER
DEVELOPMENT BUDGET

TOTAL PROJECT COSTS	\$	1,109,222
Contingency	\$	43,182
Proposed	\$	1,066,040

ACQUISITIONS	\$	-
---------------------	-----------	----------

CONSTRUCTION COSTS - HARD

DIVISION OF WORK	DESCRIPTION	TOTAL	\$	906,822
	Demolition and Asbestos (limited abatement)	\$	20,000	
	Site Work - some rear, side patio	\$	6,000	
	Concrete/Levelling (rest and new addition also)	\$	6,000	
	Masonry	\$	5,000	
	Steel (rails, fence, obangs, interior)	\$	7,500	
	Millwork/Carpentry - 2 bars, addition(s), framing, trim	\$	45,000	
	Windows	\$	10,000	
	Paint	\$	25,000	
	Marquis/Neon (per Hugh)	\$	12,000	
	Flooring/Carpeting -- all relevant areas	\$	35,000	
	Plumbing	\$	50,000	
	Hoods/Walk in	\$	20,000	
	Sprinkler (Not required)	\$	-	
	Roofing, Flashing	\$	15,000	
	Doors	\$	12,000	
	Drywall/Plaster	\$	25,000	
	Specialty + Misc	\$	15,000	
	HVAC (Limited scope - was \$100K, now fixed?)	\$	40,000	
	Security/Access/Cameras	\$	20,000	
	Electrical/Low Voltage Cabling + fixtures	\$	120,000	
	Projection and Associated	\$	38,000	
	Sound (speakers/all eq), Baffles, and associated	\$	86,000	
	Lighting (stage) Allowance	\$	50,000	
	Seating Reconditioning (\$100/seat)	\$	56,000	
	ADA compliance b/r spaces	\$	6,000	
	CGL & PD Ins.	\$	2,500	
	Building Permit	\$	-	
	Power Tap Fee	\$	-	
	Utility Tap Fee	\$	-	
	SUB TOTAL	\$	727,000	
	GC FEE	\$	72,700	
	GENERAL CONDITIONS	\$	14,540	
	TOTAL	\$	814,240	
	Restaurant Equip		\$49,400	SEE BREAKDOWN
		SUBTOTAL	\$	863,640
		Contingency	\$	43,182 5%
		TOTAL	\$	906,822

CONSTRUCTION COSTS - SOFT

CATEGORY	VENDOR	ITEM	TOTAL	TOTAL	\$	132,400
					\$	132,400
DESIGN	AMMONS	Architectural/Int. Design	ALLOWANCE	\$	25,000	
DESIGN	JRA	Structural Engineering	CONCESSION AREA, MISC	\$	1,500	
DESIGN	MILLER	MEP Engineering	ASSUMES ALL DESIGN-BUILD	\$	-	
DESIGN	JRA	Civil Engineering	NONE NECESSARY	\$	-	
DESIGN	ECOM/FRENCH	Environmental Inspections	ALLOWANCE	\$	-	
DESIGN	JOYNER	Plans/Printing	ALLOWANCE	\$	300	
DESIGN	N/A	Engineering Inspection	NONE NECESSARY	\$	-	
SURVEY	N/A	ALTA Boundary	HAVE ON HAND	\$	-	
	N/A	Subdivision	NONE NECESSARY	\$	-	
SURVEY	FRENCH	Environmental Phase 1	ALREADY COMPLETE	\$	-	
SURVEY	N/A	Encroachments Survey	NONE NECESSARY	\$	-	
SURVEY	EXISTING	Interior Survey	ALREADY COMPLETE	\$	-	

FINANCE	N/A	Appraisal	NONE NECESSARY	\$	2,000
FINANCE	VCC	Lender Legal Costs	VCC CHARGES 1% TO ADMINISTER	\$	800
FINANCE	CHICAGO	Title Insurance	ALLOWANCE/NECESSARY?	\$	2,000
FINANCE	Unknown	Recording	ALLOWANCE/LEASE RECORDING	\$	1,000
FINANCE	VCC	Points/Bank Fees	VCC CHARGES 1% TO ADMINISTER	\$	5,000
FINANCE	VCC/3RD PARTY	Bank Inspections	VCC MAY REQUIRE	\$	1,000
FINANCE	SAFE HARBOR	Title Searches	ALLOWANCE	\$	750
FINANCE	Unknown	Bank Wire Fees	ALLOWANCE	\$	250
FINANCE	Unknown	Bank Credit Line Fees	NONE NECESSARY	\$	-
FINANCE	Unknown	Construction Loan Closing	N/A	\$	-
UTILITIES	Unknown	Connection Fees, Electrical	DEPOSITS	\$	1,800
UTILITIES	Unknown	Connection Fees, Sewer	EXISTING	\$	-
UTILITIES	Unknown	Connection Fees, Sprinkler	NONE NECESSARY	\$	-
UTILITIES	Unknown	Connection Fees, Water	EXISTING	\$	-
UTILITIES	Unknown	Connection Fees, Internet	DEPOSITS	\$	250
UTILITIES	Unknown	Connection, Telephone	DEPOSITS	\$	250
UTILITIES	Unknown	Connection Fees, Television	DIRECT TV/COMAST SPORTS??	\$	1,500
UTILITIES	Unknown	Connection Fees, Other	ALLOWANCE	\$	-
UTILITIES	Unknown	Storm Water Management Fee	ASSUME NONE	\$	-
HTC	Unknown	Historical Application Fee	MUST GET ON REGISTER	\$	3,000
HTC	Unknown	Historical Application Fee NPS	ALLOWANCE	\$	1,500
HTC	Unknown	Historic Consulting	FOR FULL REGISTER LISTING AND APP CYCLE	\$	14,000
HTC	Unknown	Historic Credit Investor Fees	N/A	\$	-
PERMITS	Unknown	Building Permits	ALLOWANCE	\$	2,500
PERMITS	Unknown	App Fees - Subdivision	N/A	\$	-
PERMITS	Unknown	App Fees - Site Plan	N/A	\$	-
PERMITS	Unknown	App Fees - Property Tax Abatement	N/A	\$	-
PERMITS	Unknown	App Fees - Rezoning	N/A	\$	-
TAXES	Unknown	Realestate Taxes	CITY OWNED - NONE ANTICIPATED	\$	-
LEGAL	Unknown	Legal - General	ALLOWANCE	\$	4,500
LEGAL	Unknown	Legal - HTC Investor	ALLOWANCE	\$	-
LEGAL	Unknown	Legal - Leases/Contracts	LEGAL WORK AROUND LEASE	\$	5,000
ACCOUNTING	Unknown	Accounting	ALLOWANCE/TAX CREDIT SYNDICATION	\$	4,000
MARKETING	Unknown	Web Related	ALLOWANCE	\$	25,000
MARKETING	Unknown	Marketing/Advertising/Branding	ALLOWANCE	\$	25,000
INSURANCE	Unknown	Insurance, Builder's Risk	ALLOWANCE	\$	2,500
INSURANCE	Unknown	Insurance, misc	ALLOWANCE	\$	2,000
INSURANCE	Unknown	Insurance, Building	TOWN OF ASHLAND	\$	-
INSURANCE	Unknown	insurance, Permanent	TOWN OF ASHLAND	\$	-
PROJECT COSTS - OTHER				\$	70,000
MANAGEMENT	Unknown	Project Management Scope	ALLOWANCE	\$	50,000
INTEREST	Unknown	Construction Interest	ALLOWANCE	\$	-
START UP COSTS		OPERATIONS	ALLOWANCE	\$	20,000

RESTAURANT EQUIPMENT LIST:

EQUIPMENT - Breakdown (Hood and Walk In in GC price)

six burner/oven/flat top	\$3,500
fryers X 2	\$1,500
Keg Box X 2	\$4,800
Hand Sinks	\$500
Triple Sink	\$1,500
DW/Chem	lease
POS System	\$10,000
Chairs/Tables (Inside/Outside)	\$7,000
Bottle Coolers	\$4,000
Ice Maker	\$0 lease
Racks and Shelving	\$1,000
Sodas/Cold plate	\$3,000
Phone	\$100
Coffee Equip	\$1,000 No espress
Water Filtration	\$500
Keg Cooler	\$2,500 Concession
Display	\$4,000 Concession
Popcorn	\$1,500 Concession
Steam/Holding	\$500
Radio	\$2,500

Glasses and Plates inventory \$0 Tenant
Cooking Implements \$0 Tenant

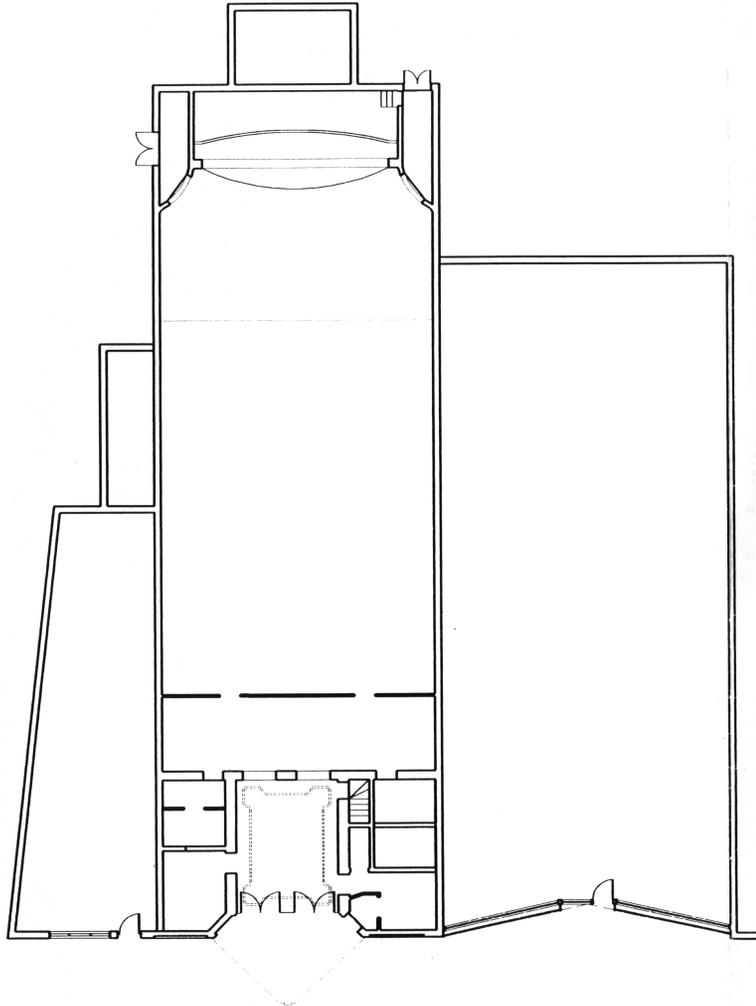
TOTAL \$49,400

Appendix D: Schematics

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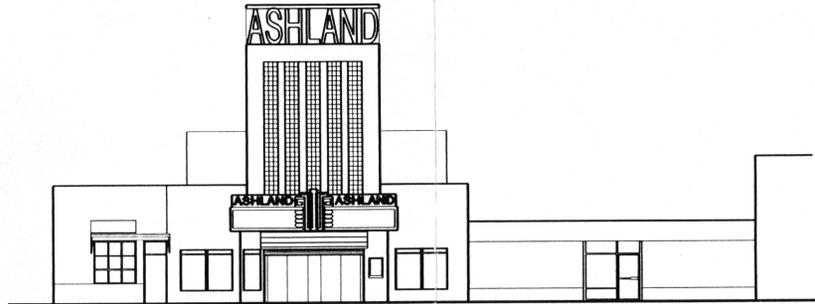
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FIRST FLOOR PLAN



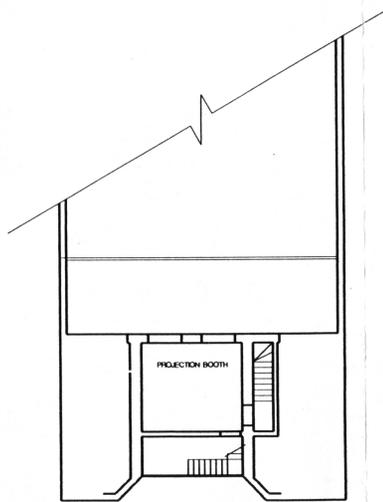
0 5 10 20



ELEVATION



0 5 10 20



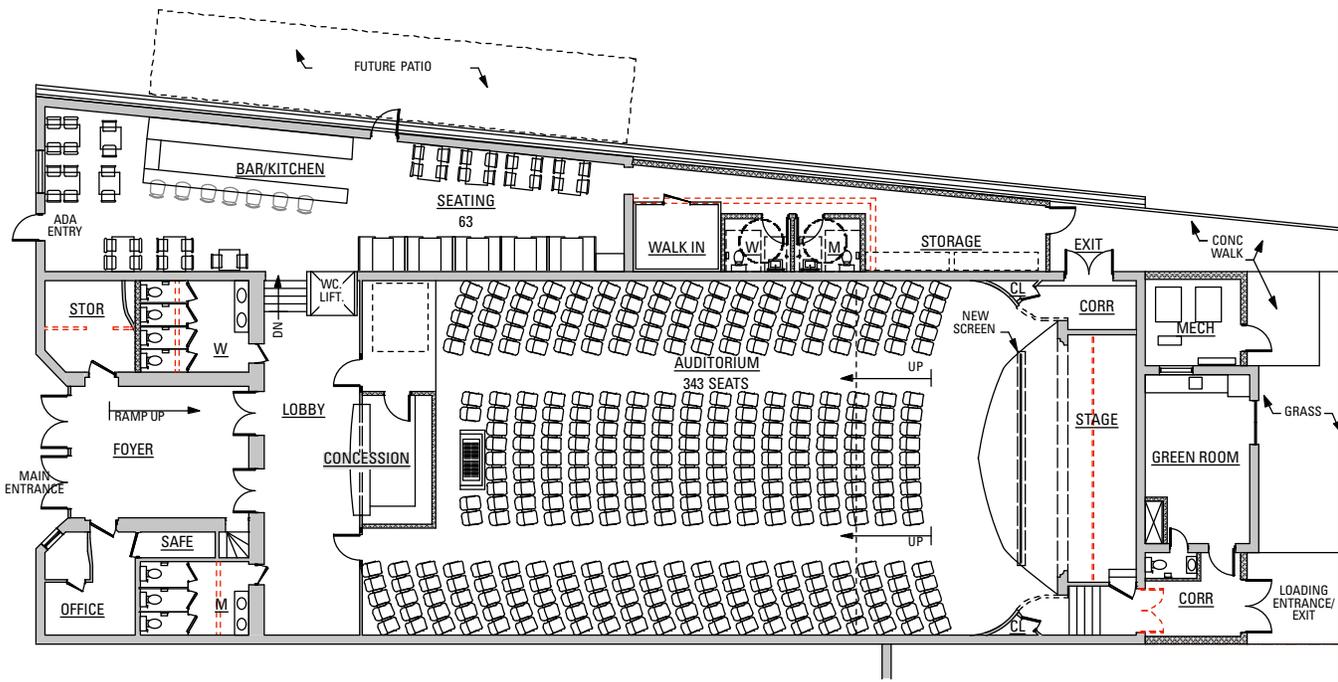
PROJECTION ROOM PLAN



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No.	Revisions	Date
ASHLAND THEATER RENOVATION ENGLAND STREET ASHLAND, VIRGINIA		
EXISTING CONDITIONS		
HOPKE & ASSOCIATES INC. ARCHITECTURE PLANNING INTERIORS 222 N. Broadway St. Williamsburg, VA 23185 804/225-1800		
Scale	Project Number 96027	Sheet
File	Date	A1
Drawn	Checked	

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17



PROPOSED FLOOR PLAN

ASHLAND THEATER

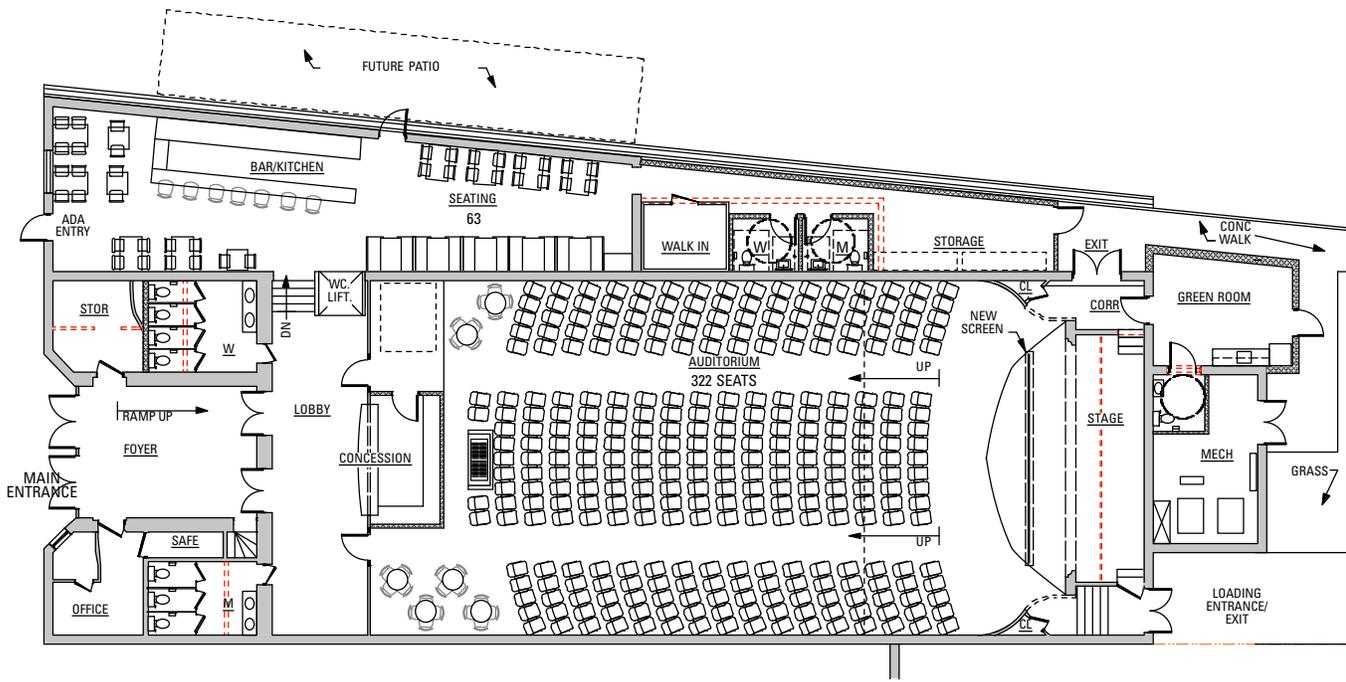
OWNER
 WAKESTRAW DEVELOPMENT
 200 S. Bank Street
 Petersburg, VA 23803
 Email: dev@waketraw.com

studio AMMONS
 225 N. Market Street
 Petersburg, VA 23803
 P: 804.732.1807
 F: 804.732.1809
 www.studioammons.com

REVISION

RECORD ISSUE
DESIGN REVIEW
 DATE:
15 APRIL 2015
 PROJECT No:
sa1416
 SHEET TITLE:
PROPOSED PLAN

SHEET NO:
A-1



PROPOSED FLOOR PLAN

ASHLAND THEATER

OWNER
 WAKESTRAW DEVELOPMENT
 200 S. Bank Street
 Petersburg, VA 23803
 Email: dev@wakes straw.com

studio AMMONS
 225 N. Market Street
 Petersburg, VA 23803
 P: 804.732.1807
 F: 804.732.1809
 www.studioammons.com

REVISION

RECORD ISSUE
DESIGN REVIEW
 DATE:
15 APRIL 2015
 PROJECT No:
sa1416
 SHEET TITLE
PROPOSED PLAN

SHEET NO.
A-1

Appendix E: Historic Tax Credits

VLR- 3/16/82 NRHP- 2/11/83

OMB NO. 1024-0018

EXP. 12/31/84

United States Department of the Interior
National Park Service

National Register of Historic Places
Inventory—Nomination Form

For NPS use only
received
date entered

See instructions in *How to Complete National Register Forms*
Type all entries—complete applicable sections

1. Name

historic Ashland Historic District

and/or common N/A

2. Location

street & number VA 54 and Richmond, Fredericksburg, and Potomac Rail- N/A not for publication
road tracks

city, town Ashland N/A vicinity of 7th (J. Kenneth Robinson)
~~Congressional District~~

state Virginia code 51 county Hanover code 085

3. Classification

Category	Ownership	Status	Present Use	
<input checked="" type="checkbox"/> district	<input type="checkbox"/> public	<input checked="" type="checkbox"/> occupied	<input checked="" type="checkbox"/> agriculture	<input type="checkbox"/> museum
<input type="checkbox"/> building(s)	<input type="checkbox"/> private	<input type="checkbox"/> unoccupied	<input checked="" type="checkbox"/> commercial	<input type="checkbox"/> park
<input type="checkbox"/> structure	<input checked="" type="checkbox"/> both	<input type="checkbox"/> work in progress	<input checked="" type="checkbox"/> educational	<input checked="" type="checkbox"/> private residence
<input type="checkbox"/> site	Public Acquisition	Accessible	<input type="checkbox"/> entertainment	<input checked="" type="checkbox"/> religious
<input type="checkbox"/> object	<input type="checkbox"/> in process	<input checked="" type="checkbox"/> yes: restricted	<input checked="" type="checkbox"/> government	<input type="checkbox"/> scientific
	N/A being considered	<input type="checkbox"/> yes: unrestricted	<input type="checkbox"/> industrial	<input type="checkbox"/> transportation
		<input type="checkbox"/> no	<input type="checkbox"/> military	<input type="checkbox"/> other:

4. Owner of Property

name Multiple Ownership

street & number N/A

city, town N/A N/A vicinity of state N/A

5. Location of Legal Description

courthouse, registry of deeds, etc. Hanover County Courthouse

street & number N/A

city, town Hanover state Virginia

6. Representation in Existing Surveys

Virginia Historic Landmarks Commission
title Survey has this property been determined eligible? yes no

date 1980, 1981, 1982 federal state c o u n t y local

depository for survey records Virginia Historic Landmarks Commission, 221 Governor Street

city, town Richmond state Virginia 23219

United States Department of the Interior
National Park Service

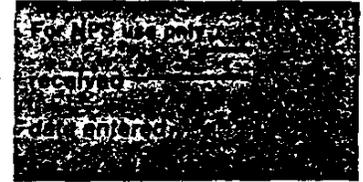
National Register of Historic Places
Inventory—Nomination Form

ASHLAND HISTORIC DISTRICT, ASHLAND, VA

Continuation sheet #36

Item number 7

Page 27



7. DESCRIPTION -- Appendix (continued)

ENGLAND STREET (continued)

100 Block (South Side) (continued)

- 166-1-233 (No number): brick (Flemish bond); 1 story; gable roof (slate); 3 bays. Commercial (office). Colonial Revival. 1930s.
- 166-1-234 SW corner of Virginia and England streets: brick (stretcher bond); 1 story; shed roof (tile); 4 bays; 4 separate store fronts. Commercial. Commercial Vernacular. Ca. 1925.

200 Block (North Side)

- 166-1-235 Ford Tractor: brick (6-course American bond); 1 story; flat roof; 3 bays. Commercial (store). Contemporary Commercial. 1950s.
- 166-1-236 Shell Service Station: brick; 1 story; gable roof (composition); 4 bays. Gas station. Contemporary Commercial. 1960s-1970s.*
- 166-1-237 Stop & Swap: brick (stretcher bond); 1 story; gable roof (composition); 2 bays; Porch with 3 bays, shed roof on square posts. Commercial (store). None. 1920s.
- 166-1-238 Masonic Lodge: wood frame (aluminum siding); 2 stories; gable roof (standing seam metal); 3 bays; 1-story, 1-center-bay portico on stylized Doric columns. Commercial (office). Colonial Revival. 1910.

200 Block (South Side)

- 166-1-239 Ashland Theatre and Loving Ford: brick (5-course American bond); 1 and 2 stories; flat roof; 10 bays. Commercial (store). Moderne (theatre); Contemporary Commercial. 1950s.
- 166-1-240 U.S. Post Office: brick (5-course American bond); 1 story; gable roof (slate); 3 bays. Government. Colonial Revival. 1950s.

300 Block (North Side)

- 166-1-241 Christian Book Store: wood frame; 1 story; gable roof (composition); 3 bays; 1-story, 3-bay porch with turned posts. Commercial (store). Cottage. 1910.
- 166-1-242 St. Ann's Church: wood frame (half timbered) and stucco; 1 story; gable roof (standing seam metal); 4 bays. Church. Tudor Revival. 1892; Remodeled 1925. L.P. Hartsook, Architect/builder.

(See Continuation Sheet #37)

Use of the Rehabilitation Tax Credit by Lessees

*Prepared by Mark Primoli
Internal Revenue Service*

The purpose of this brief is to review the circumstances under which a lessee can claim the rehabilitation tax credit.

Expenditures Made by Lessee

Internal Revenue Code Section 47(c)(2)(B)(vi) provides that a lessee is eligible to claim a rehabilitation tax credit when the lessee incurs the cost of rehabilitation and the lease term is greater than the recovery period determined under Internal Revenue Code Section 168(c) - currently 39 years for non-residential real property and 27.5 years for residential rental. The lessee, under these conditions, can claim the rehabilitation tax credit on qualified rehabilitation expenditures provided the "substantial rehabilitation test" is met.

Substantial Rehabilitation Test

Treasury Regulation 1.48-12(b)(2)(ii) and (vi) imposes a special substantial rehabilitation test on lessees seeking to utilize the rehabilitation tax credit. Under this test, the aggregate of qualified rehabilitation expenditures incurred by the lessor and any lessees must exceed the aggregate adjusted basis of all parties who have an interest in the

building (i.e., the adjusted basis of the lessor in the building and the adjusted bases of the lessees in the leasehold and any leasehold improvements that are structural components of the building).

As a result, the property owner (lessor) and several lessees could all qualify for the rehabilitation tax credit as long as the aggregate rehabilitation expenditures of all parties are considered when determining if the project meets the substantial rehabilitation test. The amount of credit each party would claim would be based on the amount each party expended during the rehabilitation.

This can be illustrated in the following example:

Taxpayer X owns a building and leases space in the building to Taxpayer A, Taxpayer B and Taxpayer C. Each lessee has a lease term in excess of 39 years. The adjusted basis of the building before rehabilitation is \$75,000. Taxpayers X, B and C spend a total of \$80,000 to substantially rehabilitate the building. A \$16,000 ($\$80,000 \times 20\%$) rehabilitation tax credit has been generated. If Taxpayer X spent \$25,000, Taxpayer B spent \$10,000 and Taxpayer C spent \$45,000, they will each be entitled to claim a portion of the allowable rehabilitation tax credit - \$5,000 for Taxpayer X, \$2,000 for Taxpayer B and \$9,000 for Taxpayer C.

The lessee is responsible for establishing the lessor's basis when determining if the substantial rehabilitation test has been met. Generally, the lessor will provide the lessee with this information. In the event the lessor does not provide the required basis information, the lessee must show that their qualified

rehabilitation expenditures incurred during the 24-month test period exceeded the fair market value of the building on the relevant date. See Treasury Regulation 1.48-12(b)(2)(iii)(B).

In the event a lessee has undertaken the expense of a rehabilitation project and the lessor sells the building before the lessee met the substantial rehabilitation test, the lessee would be forced to use the purchase price of the new owner when determining if the project was substantially rehabilitated. This is illustrated in the following example:

Taxpayer X owns property and leases it to taxpayer A for 40 years. Taxpayer X has an adjusted basis of \$500,000 in the property and does not wish to spend any money on rehabilitating the building. Taxpayer A must spend more than \$500,000 during a 24-month measuring period to be eligible for the rehabilitation tax credit. If during the rehabilitation project, but before Taxpayer A spends more than \$500,000, Taxpayer X sells the building to Taxpayer Z for \$750,000, Taxpayer A must now spend more than \$750,000 to be eligible for the rehabilitation tax credit.

Pass-through Election by Lessor

A building owner, who incurs the cost of rehabilitating an historic structure, can elect to pass the rehabilitation tax credit to its lessee(s) provided the owner is not a tax-exempt entity. See Internal Revenue Code Section 48(d) and 50(d)(5).

A tax-exempt entity cannot pass the rehabilitation tax credit to its lessee(s) because Treasury Regulation 1.48-

4(a)(1) requires that the property must be Section 38 property in the hands of the lessor; that is, it must be property with respect to which depreciation is allowable to the lessor.

Internal Revenue Code Section 48(d) permitted a lessor and lessee to agree to treat the lessee as having incurred all or a portion of the rehabilitation expenditures incurred by the lessor. This “pass-through” election, under Internal Revenue Code Section 48(d) was repealed in 1990, but its content was re-enacted under Internal Revenue Code Section 50(d)(5).

In order for a lessee to qualify for the pass-through rehabilitation tax credit under Internal Revenue Code Section 48(d), the following conditions must be satisfied:

- (1) The property must be “Section 38 property” in the hands of the lessor; that is, it must be property with respect to which depreciation is allowable to the lessor and it must satisfy the other requirements set forth under Section 1.48-1 of the Treasury Regulations, “Definition of section 38 property”.
- (2) The property must be “new section 38 property” in the hands of the lessor, and the original use of such property must commence with the lessor.
- (3) The property must be such that it would have constituted “new section 38 property” to the lessee if such lessee had actually purchased the property.
- (4) A statement of election to treat the lessee as a purchaser must be made. See Treasury Regulation 1.48-4.

- (5) The lessor cannot be a mutual savings bank, cooperative bank, or an entity described in Treasury Regulation 1.48-4(a)(1)(v).

As stated above, the property must be new section 38 property in the hands of the lessor and the pass-through election is not available unless the lessee is the “original user of the property”. This means that as long as the lessee is the first person to use the property for its intended function (i.e., placed in service by the lessee) the lessee will be treated as the original user of the property.

Basis and Income Implications

Treasury Regulation 1.48-12(e) requires that the depreciable basis of a rehabilitated building be reduced by the amount of rehabilitation tax credit allowed.

In the case of an election to pass-through the rehabilitation tax credit to a lessee, the basis adjustment required under Treasury Regulation 1.48-12(e) and Internal Revenue Code Section 48(q) does not apply. Consequently, the property owner (lessor) would not reduce its depreciable basis by the amount of rehabilitation tax credit allowed.

However, in lieu of such basis adjustment, Internal Revenue Code Section 48(d)(5)(B) requires the lessee to include in gross income an amount equal to the allowable rehabilitation tax credit spread over the recovery period (currently 39 years for non-residential rental and 27.5 years for residential rental). This is illustrated as follows:

Taxpayer X incurs qualified rehabilitation expenditures of \$500,000 and elects to pass-through his allowable \$100,000 rehabilitation tax credit to his lessee. The lessee is entitled to claim the \$100,000 rehabilitation tax credit, but must include in income an amount equal to \$2,564 each year for the balance of the 39-year recovery period.

Short-term Lease Election

If a lessor elects to pass-through the rehabilitation tax credit to its lessee and the lease term is less than 80% of the class life of such property (currently 39 years for non-residential rental and 27.5 years for residential rental), the amount of the allowable credit is reduced. Accordingly, if the lease term is at least 31.2 years for non-residential rental property or 22 years for residential rental property, the short-term lease election rules do not apply.

In the case of a short-term lease, the rehabilitation tax credit is determined by the fair market value of the leased premises multiplied by a fraction, “the numerator of which is the term of the lease and the denominator of which is the class life of the property leased”. See Treasury Regulation 1.48-4(c)(3). This is illustrated in the following example:

Taxpayer X agrees to lease its entire property to Taxpayer A for 10 years. Taxpayer X rehabilitates his property and elects to pass-through its allowable rehabilitation tax credit to Taxpayer A. The fair market value of the property after rehabilitation is \$120,000. Taxpayer A is allowed a rehabilitation tax credit in the amount of \$6,154. [20% x (\$120,000 x 10/39)]

Net Lease

If the lease term is less than 80% of the class life of the property (i.e., less than 31.2 years for non-residential rental), the lease will **not** be considered short term if the lease constitutes a “net lease” within the meaning of former Internal Revenue Code Section 57(c)(1)(B). See Internal Revenue Code Section 48(d)(4)(D).

A “net lease” is one where the lessor is either guaranteed a specified return or is guaranteed in whole or in part against loss of income.

Appendix F: Environmental Findings

Wanda Cornwell

From: Derek Dambacher [DDambacher@franceenv.com]
Sent: Friday, October 18, 2013 9:15 AM
To: Wanda Cornwell
Cc: Philip Hutter
Subject: Old Ashland Theatre - Asbestos and Lead Sampling Summary
Attachments: 13AL375_Town of Ashland_Old Theatre_Asbestos Results.pdf

Wanda,

Hope you are doing well. Thank you again for giving us the opportunity to work with you and the Town of Ashland on this project.

The following is a summary of the findings of the Asbestos and Lead-based Paint testing performed at the Old Ashland Theatre at 203 England Street, Ashland, VA. France Environmental, Inc. (FEI) performed the sampling on October 14, 2013. Attached is a copy of the asbestos laboratory results for your review.

ASBESTOS SAMPLING

FEI collected a total of forty (40) bulk samples of suspect asbestos-containing materials in the building during the survey. The samples were submitted to an accredited laboratory for asbestos analysis. The following materials were determined to be asbestos-containing:

- **Black Exterior Expansion Joint Caulk**
- **Gray Exterior Window Glazing**
- **Gray Exterior Window Caulk**
- **White Soft Textured Wall Plaster – Auditorium Seating**
- **Black 9"x9" Vinyl Floor Tile – Auditorium Seating and Projection Room**
- **Burgundy 9"x9" Vinyl Floor Tile – Ticket Office and Projection Room**
- **Tan Thin Vinyl Floor Tile – Snack Bar (Bottom Layer)**
- **Thin Gray Textured Wall Plaster – Back Entrance Areas and Back of Stage**
- **Black Coping Stone Caulk - Roof**

These materials may need to be removed by a Virginia Licensed Asbestos Abatement Contractor prior to renovation or demolition activities that may disturb the materials.

LEAD-BASED PAINT SAMPLING

FEI utilized a direct read, non-destructive instrument (XRF Machine) to test painted components for lead-based paint. The following items were determined to be lead-based paint (1.0 mg/cm² or greater per EPA and Commonwealth of Virginia Regulations using an XRF Machine):

- **White Wood Baseboard – Front Storage Room**

A final report will be forthcoming.

Please let us know if you have any questions. Thanks again and have a good weekend

Derek



Philip C. Hutter
Environmental Inspector

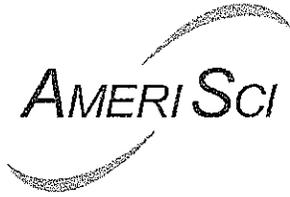
Environmental Consulting Services
7834 Forest Hill Avenue, Suite 7, Richmond, Virginia 23225
tel: 804.716.0560 fax: 804.918.7098 web: FranceEnv.com



Derek D. Dambacher
Senior Project Manager

Environmental Consulting Services
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Please Reply To:

AmeriSci Richmond

13635 GENITO ROAD
MIDLOTHIAN, VIRGINIA 23112
TEL: (804) 763-1200 • FAX: (804) 763-1800

FACSIMILE TELECOPY TRANSMISSION

To: Joe France
France Environmental Inc.
Fax #: (804) 918-7098

From: Gordon T. Saleeby
AmeriSci Job #: 113101505
Subject: PLM 3 day Results
Client Project: FEI - 13AL375; Old Ashland Theatre; (Report Amended 10/18/2013)

Email: FranceEnvironmental@gmail.com, jfrance@franceenv.com, abaird@franceenv.com, mleonard@franceenv.com, phutter@franceenv.com, kpittman@franceenv.com, ddambacher@franceenv.com, FJanson@FranceEnv.com

Date: Friday, October 18, 2013

Time: 08:45:45

Number of Pages: 14
(including cover sheet)

Comments:

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TEL: (804) 763-1200 • FAX: (804) 763-1800

PLM Bulk Asbestos Report

France Environmental Inc.
Attn: Joe France
7834 Forest Hill Ave
Suite 7
Richmond, VA 23225

Date Received 10/15/13 AmeriSci Job # 113101505
Date Examined 10/17/13 P.O. #
Page 1 of 9
RE: FEI - 13AL375; Old Ashland Theatre; (Report Amended
10/18/2013)

Client No. / HGA	Lab No.	Asbestos Present	Total % Asbestos
1 A	113101505-01 Location: Tan Exterior Door Caulk; Back Entrance	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Tan, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Non-fibrous 100 %			
2 B	113101505-02 Location: Black Exterior Expansion Joint Caulk; Back Entrance	Yes	3 % (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Black, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Chrysotile 3.0 % Other Material: Non-fibrous 97 %			
3 C	113101505-03 Location: Gray Exterior Window Glazing; Back Side	Yes	7 % (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Lt. Gray, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Chrysotile 7.0 % Other Material: Non-fibrous 93 %			
4 D	113101505-04 Location: Gray Exterior Window Caulk; Back Side	Yes	7 % (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Lt. Gray, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Chrysotile 7.0 % Other Material: Non-fibrous 93 %			
5 E	113101505-05.1 Location: White Smooth Wall Plaster W/ Gray Coat; Men's Restroom	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: White, Heterogeneous, Non-Fibrous, Skim Coat (Plaster) Asbestos Types: Other Material: Non-fibrous 100 %			

Client Name: France Environmental Inc.

PLM Bulk Asbestos Report

FEI - 13AL375; Old Ashland Theatre; (Report Amended
10/18/2013)

Client No. / HGA	Lab No.	Asbestos Present	Total % Asbestos
5 E	113101505-05.2 Location: White Smooth Wall Plaster W/ Gray Coat; Men's Restroom	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
<p>Analyst Description: Brown, Heterogeneous, Non-Fibrous, Base Coat (Plaster) Asbestos Types: Other Material: Non-fibrous 100 %</p>			
6 E	113101505-06.1 Location: White Smooth Wall Plaster W/ Gray Coat; Auditorium	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
<p>Analyst Description: White, Heterogeneous, Non-Fibrous, Skim Coat (Plaster) Asbestos Types: Other Material: Non-fibrous 100 %</p>			
6 E	113101505-06.2 Location: White Smooth Wall Plaster W/ Gray Coat; Auditorium	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
<p>Analyst Description: Gray, Heterogeneous, Non-Fibrous, Base Coat (Plaster) Asbestos Types: Other Material: Non-fibrous 100 %</p>			
7 F	113101505-07 Location: White Soft Textured Wall Plaster; By Stage	Yes	5 % (by CVES) by Gordon T. Saleeby on 10/17/13
<p>Analyst Description: Off White, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Chrysotile 5.0 % Other Material: Non-fibrous 95 %</p>			
8 F	113101505-08 Location: White Soft Textured Wall Plaster; By Projector Room	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
<p>Analyst Description: Gray, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Non-fibrous 100 %</p>			
9 G	113101505-09 Location: White Soft Textured Ceiling Plaster; By Projector Room	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
<p>Analyst Description: Gray, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Non-fibrous 100 %</p>			

Client Name: France Environmental Inc.

PLM Bulk Asbestos ReportFEI - 13AL375; Old Ashland Theatre; (Report Amended
10/18/2013)

Client No. / HGA	Lab No.	Asbestos Present	Total % Asbestos
10 G	113101505-10 Location: White Soft Textured Ceiling Plaster; By Projector Room	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Gray, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Non-fibrous 100 %			
11 H	113101505-11L1 Location: Black 9"x9" Vinyl Floor Tile W/ Black Mastic; Auditorium Front	Yes	5 % (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Black, Heterogeneous, Non-Fibrous, Floor Tile Asbestos Types: Chrysotile 5.0 % Other Material: Non-fibrous 95 %			
11 H	113101505-11L2 Location: Black 9"x9" Vinyl Floor Tile W/ Black Mastic; Auditorium Front	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Black, Heterogeneous, Non-Fibrous, Mastic Asbestos Types: Other Material: Non-fibrous 100 %			
12 I	113101505-12 Location: Yellow Powdery Wall Panel; Snack Bar	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Red/Lt. Tan, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Cellulose 45 %, Non-fibrous 55 %			
13 J	113101505-13.1 Location: White Smooth Ceiling Plaster W/ Gray Base Coat; Stairwell	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: White, Heterogeneous, Non-Fibrous, Skim Coat (Plaster) Asbestos Types: Other Material: Non-fibrous 100 %			
13 J	113101505-13.2 Location: White Smooth Ceiling Plaster W/ Gray Base Coat; Stairwell	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Gray, Heterogeneous, Non-Fibrous, Base Coat (Plaster) Asbestos Types: Other Material: Non-fibrous 100 %			

See Reporting notes on last page

Client Name: France Environmental Inc.

PLM Bulk Asbestos Report

FEI - 13AL375; Old Ashland Theatre; (Report Amended
10/18/2013)

Client No. / HGA	Lab No.	Asbestos Present	Total % Asbestos
14 J	113101505-14.1 Location: White Smooth Ceiling Plaster W/ Gray Base Coat; Front Foyer	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: White, Heterogeneous, Non-Fibrous, Skim Coat (Plaster) Asbestos Types: Other Material: Non-fibrous 100 %			
14 J	113101505-14.2 Location: White Smooth Ceiling Plaster W/ Gray Base Coat; Front Foyer	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Gray, Heterogeneous, Non-Fibrous, Base Coat (Plaster) Asbestos Types: Other Material: Non-fibrous 100 %			
15 K	113101505-15 Location: White Workholes 2'x4' Lay-In Ceiling Tile; Ticket Office	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: White/Beige, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Cellulose 40 %, Fibrous glass 20 %, Non-fibrous 40 %			
16 K	113101505-16 Location: White Workholes 2'x4' Lay-In Ceiling Tile; Ticket Office	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: White/Beige, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Cellulose 40 %, Fibrous glass 20 %, Non-fibrous 40 %			
17 L	113101505-17L1 Location: Burgundy 9"x9" Vinyl Floor Tile W/ Black Mastic; Projector Room	Yes	7 % (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Burgundy, Heterogeneous, Non-Fibrous, Floor Tile Asbestos Types: Chrysotile 7.0 % Other Material: Non-fibrous 93 %			
17 L	113101505-17L2 Location: Burgundy 9"x9" Vinyl Floor Tile W/ Black Mastic; Projector Room	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Black, Heterogeneous, Non-Fibrous, Mastic Asbestos Types: Other Material: Non-fibrous 100 %			

Client Name: France Environmental Inc.

PLM Bulk Asbestos ReportFEI - 13AL375; Old Ashland Theatre; (Report Amended
10/18/2013)

Client No. / HGA	Lab No.	Asbestos Present	Total % Asbestos
18 M	113101505-18 Location: Black Mottled 12"x12" Vinyl Floor Tile W/ Yellow Mastic; Snack Bar (Top Layer)	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Black, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Non-fibrous 100 % Comment: Insufficient Mastic in Sample for Analysis.			
19 N	113101505-19L1 Location: Tan Thin Vinyl Floor Tile W/ Black Mastic; Snack Bar (Bottom Layer (21))	Yes	2 % (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Off White/Tan, Heterogeneous, Non-Fibrous, Floor Tile Asbestos Types: Chrysotile 2.0 % Other Material: Non-fibrous 98 %			
19 N	113101505-19L2 Location: Tan Thin Vinyl Floor Tile W/ Black Mastic; Snack Bar (Bottom Layer (21))	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Black/Brown, Heterogeneous, Non-Fibrous, Mastic Asbestos Types: Other Material: Non-fibrous 100 %			
20 O	113101505-20 Location: Hard Textured Wall Plaster; Projector RM	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Gray, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Non-fibrous 100 % Comment: Insufficient Textured Paint in Sample for Analysis, Plaster only.			
21 O	113101505-21 Location: Hard Textured Wall Plaster; Projector Storage	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Gray, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Non-fibrous 100 % Comment: Insufficient Textured Paint in Sample for Analysis, Plaster only.			

Client Name: France Environmental Inc.

PLM Bulk Asbestos Report

FEI - 13AL375; Old Ashland Theatre; (Report Amended
10/18/2013)

Client No. / HGA	Lab No.	Asbestos Present	Total % Asbestos
22 P	113101505-22 Location: Hard Textured Ceiling Plaster; Projector RM	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
<p>Analyst Description: Gray, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Non-fibrous 100 % Comment: Insufficient Textured Paint in Sample for Analysis, Plaster only.</p>			
23 P	113101505-23 Location: Hard Textured Ceiling Plaster; Projector Storage	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
<p>Analyst Description: Gray, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Non-fibrous 100 % Comment: Insufficient Textured Paint in Sample for Analysis, Plaster only.</p>			
24 Q	113101505-24 Location: White Wall Drywall; Stairwell (Behind Plaster)	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
<p>Analyst Description: Off-White/Brown, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Cellulose 7 %, Non-fibrous 93 %</p>			
25 Q	113101505-25 Location: White Wall Drywall; By Right Entry (Behind Plaster)	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
<p>Analyst Description: Off-White/Brown, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Cellulose 7 %, Non-fibrous 93 %</p>			
26 R	113101505-26 Location: White Blown-In Insulation; By Projector RM	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
<p>Analyst Description: Off White, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Cellulose 2 %, Fibrous glass 85 %, Non-fibrous 13 %</p>			

Client Name: France Environmental Inc.

PLM Bulk Asbestos Report

FEI - 13AL375; Old Ashland Theatre; (Report Amended
10/18/2013)

Client No. / HGA	Lab No.	Asbestos Present	Total % Asbestos
27 R	113101505-27 Location: White Blown-In Insulation; By Projector RM	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
<p>Analyst Description: Off White, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Cellulose 2 %, Fibrous glass 85 %, Non-fibrous 13 %</p>			
28 S	113101505-28 Location: Thin Gray Textured Wall Plaster; By Left Exit	Yes	3 % (by CVES) by Gordon T. Saleeby on 10/17/13
<p>Analyst Description: White/Lt.Grey, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Chrysotile 3.0 % Other Material: Non-fibrous 97 %</p>			
29 S	113101505-29 Location: Thin Gray Textured Wall Plaster; By Right Exit		NAP/PS
<p>Analyst Description: Bulk Material Asbestos Types: Other Material:</p>			
30 T	113101505-30 Location: Black Asphalt Rolled Roofing; Roof 1 Center	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
<p>Analyst Description: Black, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Fibrous glass 10 %, Synthetic fibers 5 %, Non-fibrous 85 %</p>			
31 U	113101505-31 Location: Black Roof Flashing; Roof 1 Side	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
<p>Analyst Description: Black, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Synthetic fibers 7 %, Non-fibrous 93 %</p>			
32 V	113101505-32 Location: Black Coping Stone Caulk; Roof 1 Side	Yes	7 % (by CVES) by Gordon T. Saleeby on 10/17/13
<p>Analyst Description: Black, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Chrysotile 7.0 % Other Material: Non-fibrous 93 %</p>			

Client Name: France Environmental Inc.

PLM Bulk Asbestos ReportFEI - 13AL375; Old Ashland Theatre; (Report Amended
10/18/2013)

Client No. / HGA	Lab No.	Asbestos Present	Total % Asbestos
33 W	113101505-33 Location: Black Asphalt Rolled Roofing; Roof 2 Center	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Black, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Fibrous glass 5 %, Synthetic fibers 5 %, Non-fibrous 90 %			
34 X	113101505-34 Location: Black Roof Flashing; Roof 2 Side	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Black, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Synthetic fibers 7 %, Non-fibrous 93 %			
35 Y	113101505-35 Location: Black Asphalt Rolled Roofing; Roof 3 Center	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Black, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Fibrous glass 5 %, Synthetic fibers 5 %, Non-fibrous 90 %			
36 Z	113101505-36 Location: Black Roof Flashing; Roof 3 Side	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Black, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Synthetic fibers 7 %, Non-fibrous 93 %			
37 AA	113101505-37 Location: Gray Interior Window Glazing; Mechanical Room	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: Gray, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Non-fibrous 100 %			
38 BB	113101505-38 Location: White Display Caulk; Front	No	NAD (by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: White, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Non-fibrous 100 %			

See Reporting notes on last page

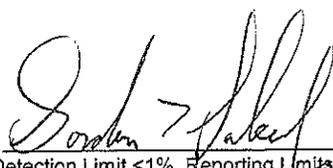
Client Name: France Environmental Inc.

PLM Bulk Asbestos Report

FEI - 13AL375; Old Ashland Theatre; (Report Amended
10/18/2013)

Client No. / HGA	Lab No.	Asbestos Present	Total % Asbestos
39 CC	113101505-39	No	NAD
Location: White Exterior Ceiling Compound Over Thin Concrete Panel; Front Entrance			(by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: White, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Non-fibrous 100 %			
40 CC	113101505-40	No	NAD
Location: White Exterior Ceiling Compound Over Thin Concrete Panel; Front Entrance			(by CVES) by Gordon T. Saleeby on 10/17/13
Analyst Description: White, Heterogeneous, Non-Fibrous, Bulk Material Asbestos Types: Other Material: Non-fibrous 100 %			

Reporting Notes:

Analyzed by: Gordon T. Saleeby  Date Oct 18, 2013

*NAD = no asbestos detected, Detection Limit <1%, Reporting Limits: CVES = 1%, 400 Pt Ct = 0.25%, 1000 Pt Ct = 0.1%; "Present" or NVA = "No Visible Asbestos" are observations made during a qualitative analysis; NA = not analyzed; NA/PS = not analyzed / positive stop; PLM Bulk Asbestos Analysis by EPA 600/MM-82-020 per 40 CFR 763 (NVLAP Lab Code 101904-0) and ELAP PLM Analysis Protocol 198.1 for New York friable samples which includes quantitation of any vermiculite observed (198.6 for NOB samples)(NYSDOH ELAP Lab # 10984); CA ELAP Lab # 2508; Note: PLM is not consistently reliable in detecting asbestos in floor coverings and similar NOB materials. NAD or Trace results by PLM are inconclusive, TEM is currently the only method that can be used to determine if this material can be considered or treated as non-asbestos-containing in New York State (also see EPA Advisory for floor tile, FR 59, 146, 38970, 8/1/94). NIST Accreditation requirements mandate that this report must not be reproduced except in full without the approval of the laboratory. This PLM report relates ONLY to the items tested.

Reviewed By: _____

113-10-1505



Environmental Consulting Services

7834 Forest Hill Avenue, Suite 7, Richmond, VA 23225
 ph 804.716.0560 fax 804.918.7098 email info@franceenv.com

Page 1 of 3

CHAIN OF CUSTODY RECORD

Project Name: Old Ashland Theatre	Sample to Lab Via: Hand Del.	Report To: France Environmental, Inc.	Sample Type: Asbestos - PCM
Project Number: FEI-13AL375	Date Sent to Lab: 10/14/13	Project Manager: Mike Leonard/Joe France	Asbestos - TEM
Client Name:	Number of Coolers:	Address: 7834 Forest Hill Avenue, Ste. 7	<input checked="" type="checkbox"/> Asbestos - Bulk
Client Address:	Turn-Around Time: 72 hr	City/State/Zip: Richmond, VA 23225	Lead-In-Air
Client Contact:	Report Via: <input type="checkbox"/> Verbal <input type="checkbox"/> Fax <input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight <input checked="" type="checkbox"/> Electronic - MLeonard@FranceEnv.Com	Telephone: Work: 804.716.0560 Fax: 804.918.7098	Lead - Wipe
Field Inspector: Philip C. Hutter			Lead - TCLP
			Lead - Bulk
			Other

LABORATORY SUBMITTED TO:

- AmeriSci Richmond (ACCT #: 11647)
13635 Genito Road
Midlothian, Virginia 23112
804.763.1200
- Schneider Laboratories, Inc. (ACCT #: 2763)
2512 West Cary Street
Richmond, Virginia 23220-5117
804.353.6778

FIRST POSITIVE STOP

Sample Group	Sample Number	Sample Description	Sample Location
A	1	Tim Exterior Door Caulk	Back Entrance
B	2	Black Exterior Expansion Joint Caulk	↓ ↓
C	3	Gray Exterior Window Blanking	Back side
D	4	Gray Exterior Window Caulk	↓ ↓
E	5	White Smooth Wall Plaster - w/ Gray	Men's Restroom
↓	6	↓ ↓	Auditorium
F	7	White Textured Wall Plaster	By stage
↓	8	↓ ↓	By Projector Room
G	9	White soft Textured Ceiling Plaster	↓ ↓
↓	10	↓ ↓	↓ ↓
H	11	Black 9"x9" Vinyl Floor Tile/Black Mastic	Auditorium Front
I	12	Yellow Powder Wall Panel	Snack Bar
J	13	White smooth ceiling plaster w/ Gray base coat	Snack Bar Stairwell
↓	14	↓ ↓	Front Foyer
K	15	White w/scratches 9"x9" Vinyl Floor Tile	Ticket office
↓	16	↓ ↓	" "
L	17	Black mastic 9"x9" Vinyl Floor Tile/Black Mastic	Projector Room
M	18	Black mottled 12"x12" Vinyl Floor Tile/yellow mastic	Snack Bar (Top layer)

Relinquished by: Philip C. Hutter Date: 10/14/13 Time: _____
 Accepted by: _____ Date: _____ Time: _____
 Additional Remarks: _____
 Sampler Signature: Philip C. Hutter

RECEIVED
 OCT 17 2013
 By PC



118101505

Environmental Consulting Services

7834 Forest Hill Avenue, Suite 7, Richmond, VA 23225
 ph 804.716.0560 fax 804.918.7098 email info@franceenv.com

Page 2 of 3

CHAIN OF CUSTODY RECORD

Project Name: Old Ashland Theatre	Sample to Lab Via: Hand Del.	Report To: France Environmental, Inc.	Sample Type:
Project Number: FEI-BAL375	Date Sent to Lab: 10/14/13	Project Manager: Mike Leonard/Joe France	<input type="checkbox"/> Asbestos - PCM
Client Name:	Number of Coolers:	Address: 7834 Forest Hill Avenue, Ste. 7	<input checked="" type="checkbox"/> Asbestos - TEM
Client Address:	Turn-Around Time: 72 hr	City/State/Zip: Richmond, VA 23225	<input type="checkbox"/> Asbestos - Bulk
Client Contact:	Report Via:	Telephone:	<input type="checkbox"/> Lead-In-Air
Field Inspector: Philip C. Hutter	<input checked="" type="checkbox"/> Verbal <input type="checkbox"/> Fax <input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> Overnight <input checked="" type="checkbox"/> Electronic - MLeonard@FranceEnv.Com	Work: 804.716.0560 Fax: 804.918.7098	<input type="checkbox"/> Lead - Wipe
			<input type="checkbox"/> Lead - TCLP
			<input type="checkbox"/> Lead - Bulk
			<input type="checkbox"/> Other

LABORATORY SUBMITTED TO:

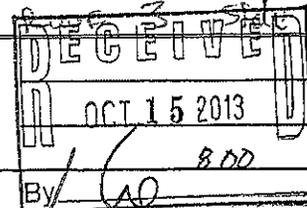
AmeriSci Richmond (ACCT #: 11647)
 13635 Genito Road
 Midlothian, Virginia 23112
 804.763.1200

Schneider Laboratories, Inc. (ACCT #: 2763)
 2512 West Cary Street
 Richmond, Virginia 23220-5117
 804.353.6778

FIRST POSITIVE STOP

Sample Group	Sample Number	Sample Description	Sample Location
N	19	Thin Gray Tile w/ black mastic	Snack Bar (bottom layer (21))
O	20	Hard textured wall plaster	Projection Rm
O	21	↓	Projection storage
P	22	Hard textured ceiling plaster	projection Rm
P	23	↓	Projection storage
Q	24	White wall drywall	stairwell (behind door)
Q	25	↓	By Right Entry (behind plaster)
R	26	White Blown-In Insulation	By Projection Rm
↓	27	↓	↓
S	28	Thin gray textured wall plaster	By left Exit
↓	29	↓	By Right Exit
T	30	Black Asphalt rolled roofing	Roof 1 center
U	31	Black Roof Flashing	Roof 1 side
V	32	Black Coping Stone caulk	↓
W	33	Black Asphalt rolled roofing	Roof 2 center
X	34	Black Roof Flashing	Roof 2 side
Y	35	Black Asphalt rolled roofing	Roof 3 center
Z	36	Black Roof Flashing	

Relinquished by: Philip C. Hutter Date: 10/14/13 Time: _____
 Accepted by: _____ Date: _____ Time: _____
 Additional Remarks: _____
 Sampler Signature: Philip C. Hutter



Lab report correction needed

Subject: Lab report correction needed

From: Philip Hutter <PHutter@franceenv.com>

Date: 10/17/2013 5:44 PM

To: Patricia Godley <pgodley@amerisci.com>, "gsaleeby@amerisci.com" <gsaleeby@amerisci.com>

CC: Tiffany Goodwyn <tgoodwyn@amerisci.com>

Patricia, do you mind having the lab amend the following report? Please change sample number 4 to Caulk (not glazing) and attach this corrected COC . Thank you.



Philip C. Hutter
Environmental Inspector

Environmental Consulting Services

7834 Forest Hill Avenue, Suite 7, Richmond, Virginia 23225
ph: 804.716.0560 fax: 804.818.7098 web: FranceEnv.com

This electronic mail message is intended exclusively for the individual or entity to which it is addressed. This message, together with any attachment, may contain confidential and privileged information. Any unauthorized review, use, print, retention, copy disclosure or distribution is strictly prohibited. If you have received this message in error, please immediately advise the sender by reply email message and delete all copies of this message. Thank you.

-- Attachments: -----

113101505E.PDF

661 KB

ashland coc.pdf

2.0 MB



RECEIVED
MAY 06 2014

BY: _____

COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

PIEDMONT REGIONAL OFFICE
4949-A Cox Road, Glen Allen, Virginia 23060
(804) 527-5020 Fax (804) 527-5106
www.deq.virginia.gov

Molly Joseph Ward
Secretary of Natural Resources

David K. Paylor
Director

Michael P. Murphy
Regional Director

April 28, 2014

Town of Ashland
Attn: Nora Amos
101 Thompson Street
P.O. Box 1600
Ashland, VA 23005

RE: Discharge of oil from a small heating oil tank
Site Name: Town of Ashland - Movie Theater, 205 England Street, Hanover County
DEQ tracking number PC# 2014-4369

Dear Ms. Amos:

Thank you for notifying the Department of Environmental Quality (DEQ) on **April 18, 2014** regarding a discharge of oil at the referenced site. State Water Control Law prohibits the discharge of oil which enters, or may reasonably be expected to enter into or upon state waters, lands, or storm drain systems within the Commonwealth and imposes liability for damages and cleanup costs upon: (1) the person discharging or causing or permitting a discharge or a substantial threat of discharge; and (2) the operator of any facility from which a discharge has occurred or from which there is a substantial threat of discharge.

Based on the information provided to DEQ, it appears that you are the operator of a facility from which there has been a discharge of oil into or upon state waters, lands, or storm drain systems within the Commonwealth. Code § 62.1-44.34:18(B) requires you to take any such action as may be deemed necessary in the judgment of the State Water Control Board (the "Board") to contain and clean up the discharge. To resolve this matter, the Board, acting through DEQ, will be working with you to investigate the severity of the discharge and determine the cleanup actions that are necessary.

Based upon the information provided about the discharge, the investigation will proceed as **checked box below**:

- Category 1 - Small Heating Oil Tank Cleanup.** In order to initiate the investigation and reimbursement processes, you must submit an Activity Authorization Package. The completed Activity Authorization Package must include: (1) a completed Activity Authorization Form (AAF); (2) an initial site sketch; and (3) a copy of a topographic map indicating the site location.

The **Small Heating Oil Tank Release Characterization Report Form must be completed and returned to this office by June 9, 2014.** Early submittal of the Activity Authorization Package will assure sufficient time to complete the site work and prepare the Small Heating Oil Release Characterization Report Form. Unless an emergency situation exists at the site, you should not proceed with environmental site assessment work until the AAF has been approved by this office.

- Category 2 - Small Heating Oil Tank discharge.** Your responsibilities include: Taking the actions necessary to stop the discharge and abate and mitigate any immediate hazards caused by the discharge. This includes stopping any continued discharge of oil from the tank into the environment, removing free product, and eliminating immediate safety or environmental hazards (fire, vapors in buildings, oil on surface water, etc.).

Investigating the severity and extent of the discharge, evaluating the risks posed by the discharge, and determining what actions are necessary to clean up the discharge. **A Site Characterization Report (SCR) assessing contamination, risks, and cleanup alternatives must be submitted to this office by [date].**

- Category 3 - Small Heating Oil Tank discharge.** Your responsibilities include: Taking the actions necessary to stop the discharge and abate and mitigate any immediate hazards caused by the discharge. This includes stopping any continued discharge of oil from the tank into the environment, removing free product, and eliminating immediate safety or environmental hazards (fire, vapors in buildings, oil on surface water, etc.). **An Initial Abatement Report (may be requested at Case Manager's discretion), documenting the measures taken to abate hazards at the site must be submitted to this office by [date].** A list of elements usually required in an Initial Abatement Report is presented in a fact sheet available at:
<http://www.deq.virginia.gov/Portals/0/DEQ/Land/Tanks/012024dappendices.pdf>.

Investigating the severity and extent of the discharge, evaluating the risks posed by the discharge, and determining what actions are necessary to clean up the discharge. **A Site Characterization Report (SCR) assessing contamination, risks, and cleanup alternatives must be submitted to this office by [date].** A list of elements usually required in an Site Characterization Report is presented in a fact sheet available at:
<http://www.deq.virginia.gov/Portals/0/DEQ/Land/Tanks/012024dappendices.pdf>.

In order to initiate the investigation and reimbursement processes, you must submit an Activity Authorization Package. The Activity Authorization Package should include: (1) the completed Activity Authorization Form (AAF); (2) a sketch of the site; and (3) a copy of a topographic map indicating the site location. Early submittal of the Activity Authorization Package will assure sufficient time to complete the site work and prepare the SCR. Unless an emergency situation exists at the site, you should not proceed with environmental site assessment work until the AAF has been approved by this office.

The Virginia Petroleum Storage Tank Fund (VPSTF), also administered by DEQ, may be available to reimburse you for costs to investigate and clean up the discharge. Please note that prior approval of site work is required if you plan to seek reimbursement. Prior approval is obtained by submitting an AAF to this office before investigation and cleanup activities are initiated. You are not required to obtain pre-approval for conducting activities needed to abate immediate hazards, however, it is highly recommended that you contact this office as soon as possible should an emergency situation occur. Any activities performed more than 24 hours before the date this discharge was reported are ineligible for reimbursement.

Owners and operators who have insurance coverage for the costs of cleaning up a petroleum discharge will not have access to the VPSTF for reimbursement for any costs covered by the policy. Some homeowner's insurance policies cover some of the costs associated with a heating oil discharge. You are responsible for contacting your insurance company to determine if coverage exists, and, if applicable, making a timely claim on your insurance policy in the event of a petroleum discharge.

DEQ recommends that persons who are not familiar with Virginia's environmental corrective action procedures consider hiring an environmental consultant. The consultant should: (1) demonstrate knowledge of Virginia's technical and administrative requirements under this program; (2) have experience with situations similar to yours; and (3) provide a justification of work to be performed and the costs for performing that work.

If you choose not to perform the required corrective action, the Board may elect to initiate either administrative or judicial enforcement proceedings against you. In any administrative proceeding your rights under Code § 2.2-4019 include notice and a chance to appear in person or by a representative to present factual data, argument, and proof in connection with this

matter. During the administrative proceeding you may dispute the Department's allegation that you are the operator of a facility from which a discharge has occurred.

This letter is intended to provide information to assist you in evaluating your compliance obligations and is not intended to be a case decision under the Administrative Process Act. **Rosalind Chaplin** has been assigned as the case manager for this **PC# 2014-4369** and will assist you in completing a rapid and effective investigation of this discharge. If you have any questions or would like to discuss the information contained in this letter, please contact **please contact Rosalind Chaplin at 804-527-5059** or at **Rosalind.Chaplin@deq.virginia.gov**. In the event that discussions with staff do not lead to a satisfactory resolution of the contents of this letter, you may elect to participate in DEQ's Process for Early Dispute Resolution. For information on the Process for Early Dispute Resolution, please visit

In the event that discussions with staff do not lead to a satisfactory resolution of the contents of this letter, you may elect to participate in DEQ's Process for Early Dispute Resolution. For information on the Process for Early Dispute Resolution, please visit: <http://www.deq.virginia.gov/Programs/Enforcement/LawsRegulationsGuidance.aspx>.

We request that all correspondence submitted for this site contains the tracking number **PC# 2014-4369** referenced above. If you have any questions, please feel free to call me at **804-527-5059**.

Very truly yours,

Rosalind Chaplin
Remediation Geologist

Referenced Documents (also available upon request):

Category 1 AAF: <http://www.deq.virginia.gov/Portals/0/DEQ/Land/Tanks/007aafs.zip>

Small Heating Oil Release Characterization Report Form and Virginia Petroleum Storage Tank Fund (VPSTF) Fact Sheet:
<http://www.deq.virginia.gov/Portals/0/DEQ/Land/Tanks/012024dappendices.pdf>

(Revised 12/10/12)



Environmental Consulting Services

7834 Forest Hill Avenue, Suite 7, Richmond, Virginia 23225
ph 804.716.0560 fax 804.918.7098 web FranceEnv.com

SITE CHARACTERIZATION REPORT
SUBMITTED FOR THE
TOWN OF ASHLAND- MOVIE THEATER SITE
PC # 2014-4369

SUBMITTED ON BEHALF OF
THE TOWN OF ASHLAND
101 Thompson Street
P.O. Box 1600
Ashland, Virginia 23005
C/O Ms. Nora Amos

Submitted to
Virginia Department of Environmental Quality
4949-A Cox Road
Glen Allen, VA 2306
c/o Ms. Rosalind Chapman

October 28, 2014

Category 1 HEATING OIL TANK RELEASE CHARACTERIZATION REPORT FORM

Instructions: This form may be used only for reporting investigation and corrective actions at Category 1 sites with releases from heating oil tanks with a capacity of 1,000 gallons or less and no impacted water supply wells within 500 feet or impacted surface water bodies within 200 feet of the leaking tank.

A. PC Number: 2014-4369	B. Site Name: Town of Ashland - Movie Theatre	C. Characterization Form Date: 8/28/2014 D. Release Report Date: 4/18/2014
E. Responsible Person's (RPs) Address: RP can be Spiller or Tank Operator Town of Ashland - 101 Thompson Street, P.O. Box 1600, Ashland, VA 23005		F. RP's Phone: (804) 798-1073
G. DEQ Case Manager: Rosalind Chaplin		
H. Site Address (if different than RP's Address; include City and Zip Code): 205 England Street, Ashland, VA 23005		

I. Soil Sample Results: Attach a copy of all lab reports and boring log(s). Include sample depth in Description below.

Sample 1 Description: <u>Southern end of UST basin at 6 Ft BGS</u>	Method: <u>TPH DRO</u>	Results: <u>214 mg/kg</u>
Sample 2 Description: _____	Method: _____	Results: _____
Sample 3 Description: _____	Method: _____	Results: _____
Sample 4 Description: _____	Method: _____	Results: _____
Sample 5 Description: _____	Method: _____	Results: _____

J. Water Sample Results: Attach a copy of all lab reports.

Sample 1 Description: _____	Method: _____	Results: _____
Sample 2 Description: _____	Method: _____	Results: _____
Sample 3 Description: _____	Method: _____	Results: _____

K. Site History and Conditions

How was the release discovered? If known, estimate amount of product lost.

The owner asked France Environmental to investigate vent pipes noted during a separate environmental investigation. A hand auger investigation was performed in the vicinity of the UST, and TPH DRO was detected at a concentration of 214 mg/kg in a sample collected from a depth of 6 feet. The amount of product lost is unknown.

State the age of the tank and the tank status (in use or out of use at the time of the soil samples; if out of use, how long?):

The owner has no information regarding the installation of the tank, or the date the tank was last used. The tank was out-of-use at the time of the soil sampling

Has the tank been removed or properly closed in place since the initial sample? If so, list the activity and date.

The tank was properly closed in-place with an inert solid material on August 18, 2014. Prior to closure, the UST was pumped out and cleaned utilizing a vacuum truck.

Describe the material surrounding the tank (e.g. clay, sand, pea gravel, bedrock, etc.) and its condition (wet or dry, stained by petroleum, etc.)

The material surrounding the UST consisted of a moist, silty clay. A petroleum odor was consistently observed from a depth of 2 feet to 6 feet below ground surface.

L. Receptor Survey

Evaluate the risk to any surface water bodies within 200 feet of the release.

There are no surface water bodies within 200 feet of the release.

Is the area served by public water? YES NO

Receptor Survey – Continued

Evaluate the risk to drinking water wells located within 500 feet of the release. For all wells, describe the distance from the release, topographic location from the release, depth, and construction. Provide general geologic information and soil types at the release site.

There are no drinking water wells located within 500 feet of the release. The site and surrounding properties are connected to the Hanover County public water system.

Was recoverable free product or a significant volume of saturated soil encountered? YES NO
 If "YES," please describe location and other pertinent information below:

Evaluate the risk to structures such as basements, sumps, crawl spaces, subsurface utilities, etc.

Does the building at the release site or adjacent properties have a basement, sump, or crawl space? YES NO

If "YES," please identify them on your attached location/topo map and provide details (address, location relative to the PC site) below:

Were any of the basements, sump, or crawl spaces impacted? YES NO
 If "YES," please identify them on your attached location/topo map and provide details below.

Evaluate the risk to underground utilities in the area

There are no at risk underground utilities in the vicinity of the UST.

M. Summarize site activities and include dates. Feel free to include any additional information or comments. Include recommendations.

A release of heating oil from the out-of-use 1,000-gallon UST was discovered during an investigation performed by France Environmental on April 4, 2014. All remaining liquids were evacuated from the UST on August 18, 2014, and the 1,000-gallon UST was properly closed in-place utilizing an inert solid material. A total of 627 gallons of residual UST liquids, sludge, and tank cleaning rinseate was removed from the UST. Copies of the closure permit and liquids disposal documentation are attached. Based on the removal of all remaining liquids in the UST, proper in-place closure of the UST, the minimal TPH DRO concentration detected in the soil sample collected, and the absence of sensitive receptors at the site and surrounding properties, no further action is recommended.

Attach the following items to this report. The report will not be considered complete without each of these items.

1. A **location map of the site** with street names and release site address. Note all sampling points, tank location, and distance to potential receptors on the map. The map does not need to be to scale and may be neatly drawn by hand.
2. **Topographic map showing the location of the site**
3. **Lab reports** for all samples listed above
4. Heating Oil Tank *Category 1 AAF*
5. Hand auger **boring log(s)**
6. Site **photos** (optional, but recommended),
7. Local **Permits**, if applicable (for example, if tank was properly closed)

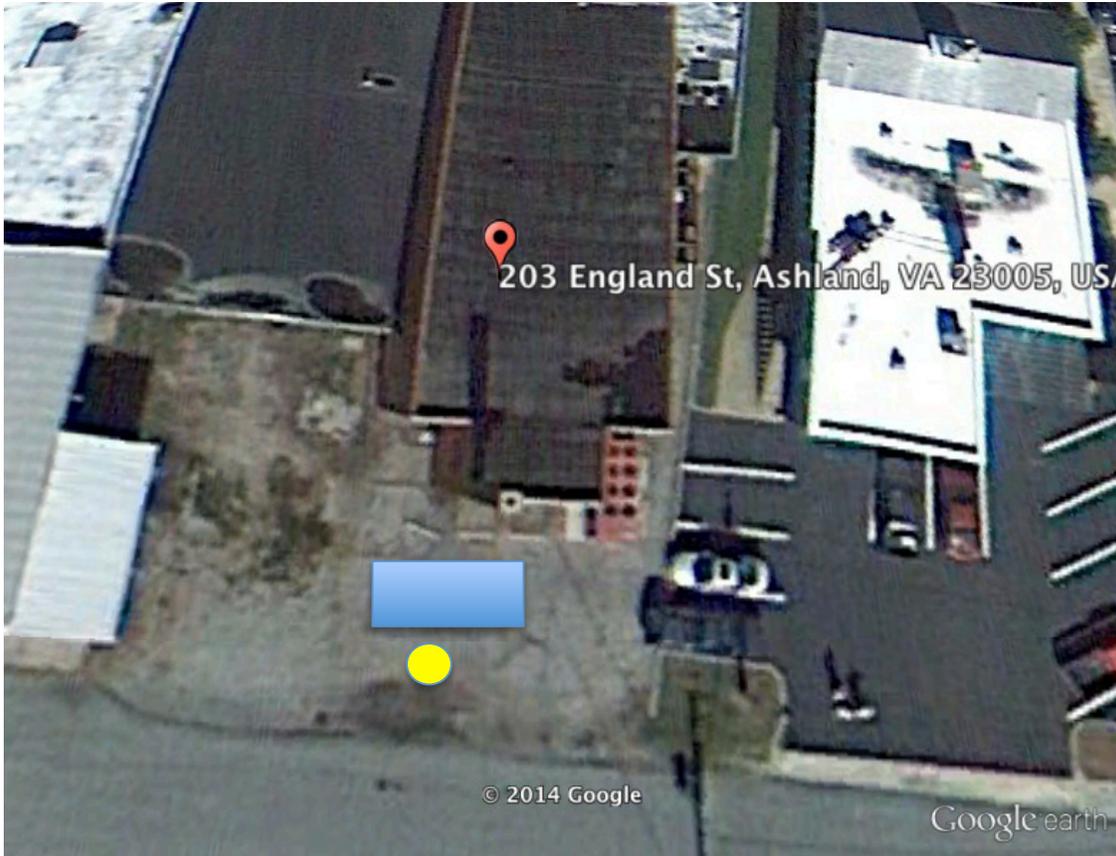
Consultant's Signature: Joseph France Digitally signed by Joseph France
DN: cn=Joseph France, o=France Environmental, ou,
email=jfrance@franceenv.com, c=US
Date: 2014.10.20 16:54:15 -0400 Date: October 20, 2014

Consultant's Name (print): Joseph France Phone: 804-715-0650

Company Name: France Environmental, Inc. Address: 7834 Forest Hill Avenue, Suite 7

City: Richmond State: Virginia Zip: 23225

Appendix G: Inspection Report



SITE MAP

205 England Street, Ashland, VA 23005

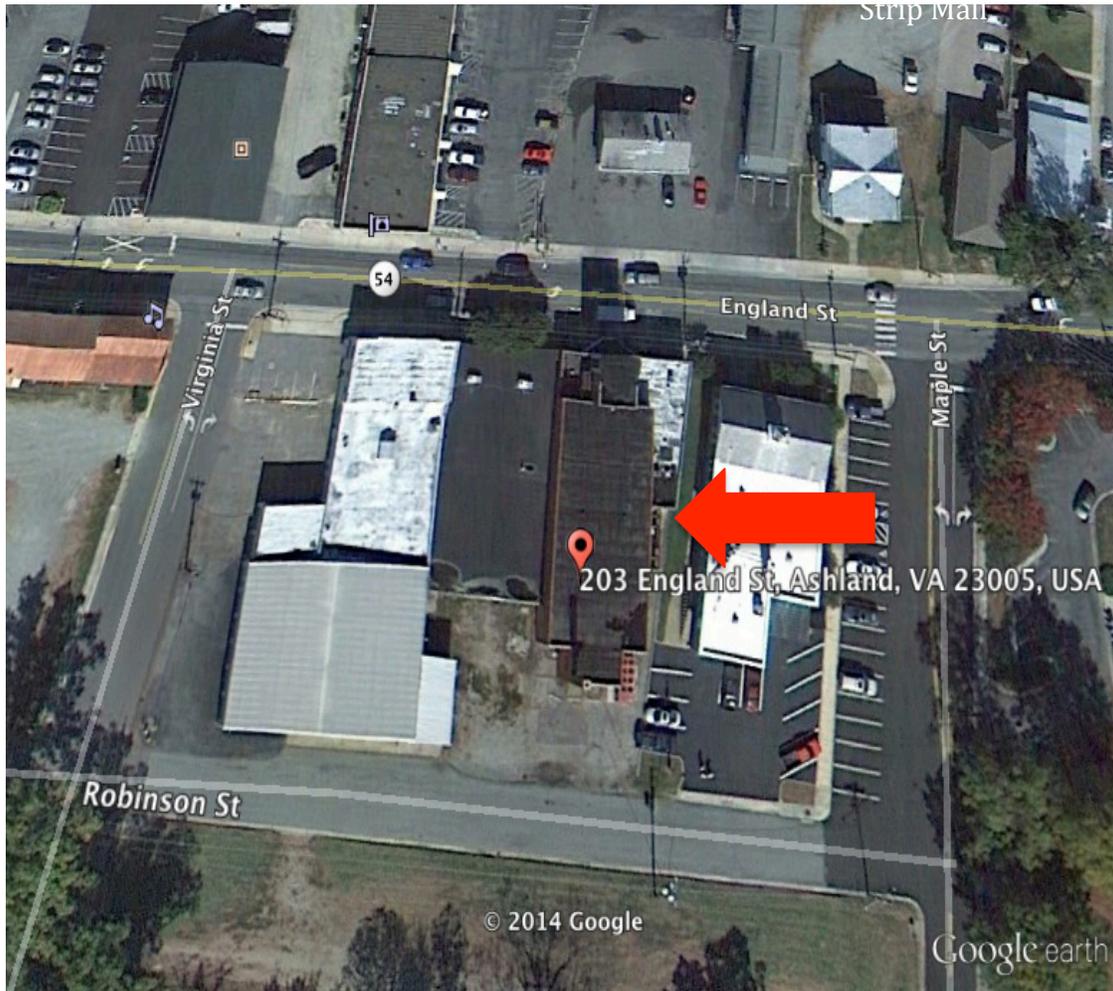


Approximate Sample Location



Approximate Tank location





SITE LOCATION MAP

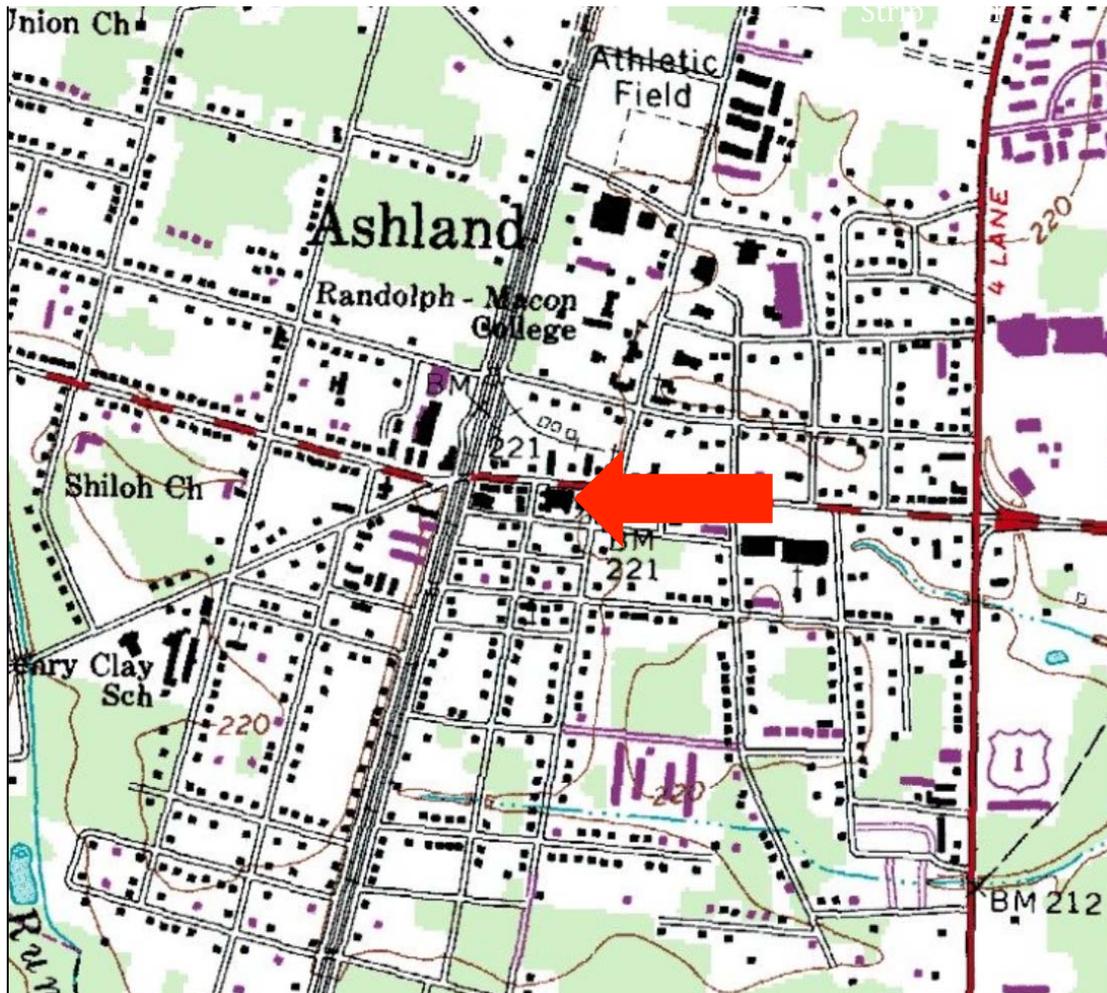
Town of Ashland, 205 England Street, Ashland, VA 23005

*****Google Maps denotes as 203 England Street, Town of Ashland reports as 205 England Street**

Legend

Approximate Site Location





TOPOGRAPHIC MAP

Town of Ashland, 205 England Street, Ashland, VA 23005

U.S Department of Interior Geological Survey 7.5 Minute Series
Topographic Map

Legend

Approximate Site Location



HMC Job#: 14004717



Email: IAQ@hayesmicrobial.com www.hayesmicrobial.com
3005 E. Boundary Terrace - Suite F - Midlothian, VA 23112

Analysis Report prepared for

Action Consultants, LLC

2436 Sledd Road
Powhatan, VA 23139
Ph. 804-314-7781 Fax.

Job Number:

Job Name: Town of Ashland

Date Sampled: 4/4/2014

Date Analyzed: 4/9/2014

AIHA EMPAT Laboratory ID# 188863



AIHA Accredited
Environmental Microbiology



Certified Clinical Microbiologist



3005 E. Boundary Terrace Suite F
 Midlothian, VA 23112
 Ph. 804.562.3435 Fax. 804-447-5562

Lead Analysis
HMC Report #
14004717

Customer Action Consultants, LLC 2436 Sledd Road Powhatan, VA 23139 Ph. 804-314-7781 Fax.	Job Number: Job Name: Town of Ashland	Collected by: Jennifer Hurt Email: jennifer.hurt@actionconsultantsllc.com Date Collected: 4/4/2014 Date Received: 4/7/2014 Date Reported: 4/9/2014
--	--	---

HMC Sample #	Client Sample #	Client Sample Description	Diesel Range Organics based on SW846 8015C			
			Analyte	Analysis Result	Quantitation Limit (mg/kg)	Dilution Factor
14004717 - 1	FEI-TOA1	UST Auger 1	DRO	214	8	1
			Diesel Range Organics based on SW846 8015C - Surrogate Recoveries			
			Surrogate	Recovery		
			Chrysene	76%		
			Gasoline Range Organics based on SW846 8015C			
			Analyte	Analysis Result	Quantitation Limit (mg/kg)	Dilution Factor
14004717 - 1	FEI-TOA1	UST Auger 1	GRO	21.0	3.6	1
			Gasoline Range Organics based on SW846 8015C - Surrogate Recoveries			
			Surrogate	Recovery		
			4-Bromofluorobenzene	89%		

All samples for organics testing should be shipped in cool conditions, 1 to 6°C. Quality Control Data available upon request. Sample concentrations below the Quantitation Limit are noted as BQL (Below Quantitation Limit) or ND (None Detected) or with a "less than" (<) sign. Values designated with a "B" indicate presence of the analyte in the laboratory blank at a concentration above the Quantitation Limit. Surrogate Spike results designated with "D" indicate that the analyte was diluted out. "MI" indicates matrix interference. Soil results are reported on a dry weight basis. Results relate only to samples as received by the laboratory. Unusual sample conditions, if any, are described.

Reviewed by Authorized Signatory: Stephen M. Hayes Date 4/9/2014
 Stephen M. Hayes BSMT(ASCP), Laboratory Director

**Town of Ashland – Movie Theatre
UST Closure
August 18, 2014
PC# 2014-4369**



Photograph 1: View of the location of the 1,000-gallon heating oil UST.



Photograph 2: View of the evacuation of all remaining liquids from UST.



Photograph 3: View of the cleaning of UST with high-pressured water and vacuum truck.



Photograph 4: View of the filling of UST with inert solid material (flowable fill slurry).



Photograph 5: View of the closed in-place 1,000-gallon UST.



Photograph 6: View of the restored excavated area.

41524

Atlantic Industrial Services, Inc.

13331 Ramblewood Drive
Chester, Virginia 23836

Emergency Contact (24 HR)
Telephone: (804) 748-9208

EPA I.D. Number
VAD 980555577
Transporter Number
VAD 9805555776

TO: Richmond Environmental Group

ADDRESS: 8306 Jonquil Terrace Richmond VA 23235

JOBSITE: 205 England St. Ashland

Date: 8/18/14 Purchase Order No. _____

Truck Charge <u>304</u>	\$ _____	Shipping Name:	Petroleum Oil
Gallonage Charge <u>627</u> at _____ per gallon	\$ _____	Hazard Class:	3
<u>Pumped and rinsed</u>	\$ _____	I.D. Number:	NA 1270
<u>underground #2 Fuel oil</u>	\$ _____	PGK Group:	III
<u>Tank</u>	\$ _____	Shipping Name:	_____
_____	\$ _____	Hazard Class:	_____
_____	\$ _____	I.D. Number:	_____
_____	\$ _____	PGK Group:	_____
_____	\$ _____	Total Charge	\$ _____

Received from X [Signature]

Received by [Signature]



HANOVER FIRE-EMS

P.O. Box 470
Hanover, VA 23069
(804) 365-6195



Underground Storage Tank Removal Assigned To ACORS, Russell (brian) on 8/18/2014

Start Date:

LOCATION
TOWN OF ASHLAND - THEATER
205 England ST
ASHLAND, VA 23005

FIRE PERMIT HOLDER
TOWN OF ASHLAND - THEATER
205 England ST
ASHLAND, VA 23005

MAILING ADDRESS
TOWN OF ASHLAND - THEATER
205 England ST
ASHLAND, VA 23005

PERMITS

Permit: Undgrnd Stor. Tank Fill In Place
UST Fill In Place Permit

08/18/2014

[L] HANOVER PERMIT

Fee: \$150.00

PAID
ESR

Total Fee Due: \$150.00

You are hereby notified and ordered to remove or remedy the above listed Fire Code Violation(s) or show cause why you should not be required to do so on or before 09/17/2014, unless noted differently above in the Inspector's Comments. If the above violation(s) still exist at the time of expiration and no cause be shown, further action as the law requires shall be taken.

Indicated above, if applicable, is the permit fee for your business. This is an annual fee. Please attach your payment to the copy of the permit application and return in an envelope to: Hanover County Treasurers Office, P.O. Box 200, Hanover, Virginia 23069-200. Please make checks payable to: Treasurer of Hanover County. Permit fees shall be received withing thirty (30) days from the date on the top of the application. Once your payment has been received and processed, your permit will be forwarded forthwith.

I hereby acknowledge that I have read this application; that the information given is correct to the best of my knowledge; that I am the owner or duly authorized to act on the owner's behalf; and so forth hereby agree to comply with the application requirements of the Hanover County Fire Code, as adopted. It is further understood that the applicant shall be responsible for obtaining all necessary permits and approvals from the appropriate agencies.

Underground Storage Tank Removal Assigned To ACORS, Russell (brian) on 8/18/2014

Start Date:

LOCATION

TOWN OF ASHLAND - THEATER
205 England ST
ASHLAND, VA 23005

FIRE PERMIT HOLDER

TOWN OF ASHLAND - THEATER
205 England ST
ASHLAND, VA 23005

MAILING ADDRESS

TOWN OF ASHLAND - THEATER
205 England ST
ASHLAND, VA 23005

Responsible Party Signature

Recipient:

TIM EVANS

Fire Marshal's Signature:



Russell (Brian) Acors

For any questions or concerns regarding Fire Code Inspections, please contact the Hanover County Fire Marshal's Office at 804-365-6195, Monday through Friday from 8:30 AM to 5:00 PM.

The condition(s) reported on this form reflects the premises as observed by our fire department personnel, at the time of inspection. Any error or omission concerning safety or conditions regarding fire prevention are unintentional and not deemed the fault of the Hanover County Fire-EMS Department or personnel conducting inspections.



HANOVER FIRE-EMS

P.O. Box 470
Hanover, VA 23069
(804) 365-6195



Fire Code Permit Invoice

<u>LOCATION</u>	<u>FIRE PERMIT HOLDER</u>	<u>MAILING ADDRESS</u>
TOWN OF ASHLAND - THEATER 205 England ST ASHLAND, VA 23005	TOWN OF ASHLAND - THEATER 205 England ST ASHLAND, VA 23005	TOWN OF ASHLAND - THEATER 205 England ST ASHLAND, VA 23005
<u>PERMIT(S)</u>	<u>DATE FOUND</u>	<u>PERMIT FEE</u>
Permit: Undgrnd Stor. Tank Fill In Place	08/18/2014	\$150.00
		TOTAL FEE DUE: \$150.00

The annual permit fee for your business is Indicated above. Permit fees shall be received withing thirty (30) days from the Date Found above, unless noted differently in the Inspector's Comments. Once your payment has been received and processed, your permit will be forwarded to the address above.

*Please make checks payable to: **Treasurer of Hanover County***

Please attach your payment to a copy of this Invoice and return in an envelope to:
Hanover County Treasurers Office
P.O. Box 200
Hanover, Virginia 23069-200

For any questions or concerns regarding Fire Code Inspections, please contact the Hanover County Fire Marshal's Office at 804-365-6195, Monday through Friday from 8:30 AM to 5:00 PM.

The condition(s) reported on this form reflects the premises as observed by our fire department personnel, at the time of inspection. Any error or omission concerning safety or conditions regarding fire prevention are unintentional and not deemed the fault of the Hanover County Fire-EMS Department or personnel conducting inspections.

Virginia Department of Environmental Quality
Petroleum Clean-up



**Category 1 – Heating Oil Tank
Activity Authorization Form for 007 UCRs**

PC #: 2014-4369 Site Name: Town of Ashland – Movie Theater Consultant: France Environmental, Inc.
 Regional Office: Piedmont RP/Consultant's Phone No.: (804) 716-0560 Fax No.: ()
 Consultant's e-mail: ifrance@franceenv.com Site Characterization Work Performed From: April 18, 2014 to July 9, 2014

**To use this form, the phase must have started on or after March 1, 2007.
Costs for Work Performed units on this AAF, which started before March 1, 2007, will be denied.**

Note: Authorization of work does not guarantee DEQ reimbursement of costs.

Code	Description	Unit Type	Proposed Units	Contingent Units	Work Performed Units	DEQ Verified Units	RP/Consultant Comments	DEQ Comments
M0003	Project Manager	Hour	1	0	1		Receptor Survey/Site Visit	
M1481	Project Manager Travel	Hour	1	0	1			
M0005	Junior Level Professional	Hour	3	0	3		Oversight of evacuation of liquids from UST	
M1483	Junior Level Professional Travel	Hour	1	0	1			
M0617	Vehicle Mileage – autos, vans, & pick-ups	Mile	88	0	88		2 trips (44 miles/trip) – 1 for PM, 1 for Jr Level	
T030	Soil Sampling with Hand Auger	Sample	0	0	0			
M1485	Technician Travel	Hour	0	0	0			
M1157	Bailer – Disposable Polyethylene	Each	0	0	0			
M1366	Method 8015B – modified TPH-DRO in water/wastewater	Sample	0	0	0			

PC Number 2014-4369

Code	Description	Unit Type	Proposed Units	Contingent Units	Work Performed Units	DEQ Verified Units	RP/Consultant Comments	DEQ Comments
M1368	Method 8015B – modified TPH-DRO in solid waste/soil	Sample	1	0	1		Initial Sample	
M1766	Vacuum Truck, includes operator & operating cost	Hour	3	0	3		Pump out of UST – size unknown	
M1290	Free Product/Contaminated Water Disposal	Gallon	500	500	627			
T100	Report Writing	Hour	1	0	1			
T040	General Site Management	5%	1	0	1			
T114	Small Reimbursement Claim Prep	Claim	1		1			
M0018	Laborer	Hour	4	0	0		Uncovering UST in order to excavate remaining liquids	

RP/Consultant Signature:

Name: Joseph France, France Environmental

Signature: Joseph France

Date: 07/2/2014

DEQ Regional Office Pre-Approval:

Name: Rosalind Chaplin

Signature: Rosalind Chaplin

Date: 7/2/14

DEQ Regional Office Verification

Name: Joseph France, France Environmental

Signature: Joseph France

Date: 10/20/2014

Digitally signed by Joseph France
DN: cn=Joseph France, o=France Environmental, ou=main-france@franceenv.com, c=US
Date: 2014.07.02 16:53:11 -0400

BUILDING ANALYSIS REPORT



Client: *Nora Amos*

Property Location: *Ashland Town Theatre
Ashland, VA 23005*

Date of Inspection: *10/29/2013*

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MESSAGE TO THE HOME BUYER

The Building Inspection

This building inspection is being conducted in accordance with nationally recognized standards of practice and is for the purpose of identifying major deficiencies which might affect your decision whether to purchase. Although minor problems may be mentioned, this report does not attempt to list them all.

You are urged to attend the inspection and accompany the inspector during the examination of the building. The information you gain from this will be of great value to you. This report is a summary of that information.

It is important for you to understand exactly what your professional building inspector is able to do for you and what the limitations are in the inspection and analysis. The inspection is of readily accessible areas of the building and is limited to visual observations only. The inspector may not move furniture, lift carpeting, remove panels or dismantle any items or equipment.

An inspection is intended to assist in evaluation of the overall condition of a building. The inspection is based on observation of the visible and apparent condition of the building and its components on the date of the inspection.

The results of this home inspection are not intended to make any representation regarding latent or concealed defects that may exist, and no warranty or guaranty is expressed or implied.

Your Inspection Report

Throughout your report where the age of appliances, roofs, etc., is stated, the age shown is approximate. It is not possible to be exact, but an effort is made to be as accurate as possible based on the visible evidence.

When an item in the report is checked "Satisfactory," the meaning is that it should give generally satisfactory service within the limits of its age and any defects or potential problems noted during the inspection.

Problems with the Building

This report is not a guaranty or warranty; we cannot eliminate all your risk in purchasing. There are warranty programs which may be obtained to insure you against failure of some of the major systems of the house.

Home buyers, after settlement and occupying the building, sometimes overlook important information and warnings contained in their reports. This can result in failure of equipment or other damage which could have been prevented if the inspector's advice and recommendations had been followed.

After occupancy, all buildings will have some defects which are not identified in the inspection report. If a serious problem occurs that you feel the report did not give you sufficient warning of, call the inspector. A phone consultation may be helpful to you in deciding what corrective measures to take and the inspector may be able to advise you in assessing proposals offered by contractors for remedying the problem.

Please consult your inspector before you engage a contractor to correct a possible defect. Unless prior consultation occurs, this company cannot assist you further.

The Building Analysis Report (B.A.R.)

This report form was first developed in 1984 at the request of home inspectors who needed to present a concise but complete summary of the results of their inspections free from the sort of technical language which many home buyers would find bewildering. It is used today by hundreds of leading home inspection companies throughout the United States and Canada, including members of such respected professional organizations as the American Society of Home Inspectors (ASHI), the National Association of Home Inspectors (NAHI), and the California Real Estate Inspection Association (CREIA).

Many improvements and revisions in this report form have been made through the years from suggestions by home inspectors and home buyers. We welcome any suggestions and criticisms which will assist us in improving it in the future.

BUILDING ANALYSIS REPORT

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SUMMARY

List of electrical, mechanical and plumbing items not operating, roof leaks and major deficiencies:

In summary, this building will require some repairs that have been discovered and written in this report. Please review entire report, including overflow remarks.

Recommend having a general contractor make repairs or consult with subcontractors to make repairs. If I may be of any further help to the Town of Ashland regarding this building, please call me anytime.

Thank you,

Joe Myers IV

Minor repairs during the first year of occupancy are estimated to be between *\$0.00* and *\$0.00*

This estimated amount does not include costs listed above for correcting major deficiencies, roof leaks and items currently not operating.

List of some important items not at present defective or in need of repair or replacement, but may be within the next 3 years:

Item	Estimated Price Range
N/A	

Remarks

See report.

The following pages cover in greater detail the items which are a part of this inspection.
Additional recommendations may also be found on the following pages.

STRUCTURAL AND BASEMENT

TYPE OF BUILDING	<input type="checkbox"/> Single <input type="checkbox"/> Duplex <input type="checkbox"/> Rowhouse / Townhouse <input type="checkbox"/> Multi-Unit <input checked="" type="checkbox"/> <i>Town Movie Theatre</i> <input type="checkbox"/> Gable Roof <input type="checkbox"/> Shed <input type="checkbox"/> Hip <input type="checkbox"/> Gambrel <input type="checkbox"/> Mansard <input checked="" type="checkbox"/> Flat
STRUCTURE	Foundation Wall: <input checked="" type="checkbox"/> Poured Concrete <input checked="" type="checkbox"/> Block <input checked="" type="checkbox"/> Brick <input type="checkbox"/> Brick and Block Posts/Columns: <input checked="" type="checkbox"/> Steel <input checked="" type="checkbox"/> Masonry <input checked="" type="checkbox"/> Wood <input checked="" type="checkbox"/> Concrete <input type="checkbox"/> Not visible Floor structure: <input style="width: 100%;" type="text" value="Slab concrete"/> Wall structure: <input style="width: 100%;" type="text" value="Brick and block and studded wood walls"/> Roof structure: <input style="width: 100%;" type="text" value="steel truss and corrugated metal"/> Water damage: <input type="checkbox"/> Some signs <input type="checkbox"/> Extensive <input checked="" type="checkbox"/> None observed Signs of abnormal condensation: <input type="checkbox"/> Some signs <input type="checkbox"/> Extensive <input checked="" type="checkbox"/> None observed <input checked="" type="checkbox"/> No major structural defects noted -- in normal condition for its age
Remarks	<i>Left side of building limestone stacks should be sealed and caulked. This was viewed from the next door building. Rear left top of building shows brick settlement cracks. Recommend tuck pointing the brick joints. Have a brick mason review.</i>
BASEMENT	<input type="checkbox"/> Full <input type="checkbox"/> Partial <input type="checkbox"/> None <input type="checkbox"/> Slab on grade Walls: <input type="checkbox"/> Open <input type="checkbox"/> Closed Ceiling: <input type="checkbox"/> Open <input type="checkbox"/> Closed <input type="checkbox"/> Limited visibility due to extensive basement storage
FLOOR	<input type="checkbox"/> Concrete <input type="checkbox"/> Dirt <input type="checkbox"/> Satisfactory <input type="checkbox"/> Resilient tile <input type="checkbox"/> Sheet goods <input type="checkbox"/> Carpeting <input type="checkbox"/> N/A
FLOOR DRAIN	<input type="checkbox"/> Tested <input type="checkbox"/> Not tested <input type="checkbox"/> Water observed in trap <input type="checkbox"/> Satisfactory <input type="checkbox"/> French drain <input type="checkbox"/> N/A
SUMP PUMP	<input type="checkbox"/> Tested <input type="checkbox"/> Not tested <input type="checkbox"/> Water observed in crock <input type="checkbox"/> Satisfactory Pipes: <input type="checkbox"/> Copper <input type="checkbox"/> Galvanized <input type="checkbox"/> Plastic <input type="checkbox"/> N/A
BASEMENT DAMPNESS	<input type="checkbox"/> Some signs <input type="checkbox"/> Extensive <input type="checkbox"/> Past <input type="checkbox"/> Present <input type="checkbox"/> Not known <input type="checkbox"/> None observed
CRAWL SPACE	<input type="checkbox"/> Readily accessible <input type="checkbox"/> Not readily accessible <input type="checkbox"/> Not inspected <input type="checkbox"/> Satisfactory <input type="checkbox"/> Conditions inspected <input type="checkbox"/> Method: <input type="checkbox"/> N/A Floor: <input type="checkbox"/> Concrete <input type="checkbox"/> Dirt <input type="checkbox"/> Wood to earth contact Dampness: <input type="checkbox"/> Some signs <input type="checkbox"/> Extensive <input type="checkbox"/> None observed <input type="checkbox"/> Vapor barrier <input type="checkbox"/> Insulation <input type="checkbox"/> Ventilation
Remarks	<div style="border: 1px solid black; height: 100px; width: 100%;"></div>

HEATING AND COOLING

HEATING SYSTEM	Fuel: <input checked="" type="checkbox"/> Gas <input type="checkbox"/> Oil <input type="checkbox"/> Electric <input type="checkbox"/> Forced Air Furnace (see page 11) <input type="checkbox"/> Gravity hot water <input checked="" type="checkbox"/> Forced Hot Water Boiler <input type="checkbox"/> Steam Boiler <input type="checkbox"/> <input type="checkbox"/> Radiant Heat <input type="checkbox"/> Electric Baseboard <input type="checkbox"/> Heat Pump (see page 11) No. 1 Capacity: <i>n/a</i> Age: 13Yrs. No. 2 Capacity: <i>n/a</i> Age: 13Yrs. No. 3 Capacity: Age: Yrs. When turned on by thermostat: <input checked="" type="checkbox"/> Fired <input type="checkbox"/> Did not fire	<input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> N/A
FUEL SUPPLY	<input type="checkbox"/> Oil tank in basement <input type="checkbox"/> Buried <input checked="" type="checkbox"/> Public gas supply <input checked="" type="checkbox"/> Tank <input type="checkbox"/> Electricity <input type="checkbox"/> Fuel supply shutoff location: <i>at units</i>	
HEAT EXCHANGER	<input type="checkbox"/> Partially observed <input checked="" type="checkbox"/> Not visible; enclosed combustion <input type="checkbox"/> Have condition checked before settlement (see page 11)	<input type="checkbox"/> N/A
HEAT DISTRIBUTION	<input type="checkbox"/> Radiators <input type="checkbox"/> Convectors <input type="checkbox"/> Baseboard Convectors <input type="checkbox"/> Radiant Pipes: <input type="checkbox"/> Galvanized pipes <input type="checkbox"/> Copper <input type="checkbox"/> Black iron <input type="checkbox"/> Pipes not visible <input type="checkbox"/> Ductwork Heat source in each room: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> N/A
HUMIDIFIER	<input type="checkbox"/> Atomizer <input type="checkbox"/> Evaporator <input type="checkbox"/> Steam <input type="checkbox"/> Not Functioning <input type="checkbox"/> Not Tested	<input checked="" type="checkbox"/> N/A
FILTER	<input type="checkbox"/> Washable <input type="checkbox"/> Disposable <input type="checkbox"/> Electronic <input type="checkbox"/> Electrostatic	<input checked="" type="checkbox"/> N/A
SUPPLEMENTARY HEAT	Location Type	<input type="checkbox"/> Satisfactory <input type="checkbox"/> Satisfactory <input type="checkbox"/> Satisfactory
Remarks	<p><i>Would suggest having both furnaces serviced by James River Air, along with the A/C units.</i></p>	
COOLING	<input type="checkbox"/> Cooling system integral with heating system <input type="checkbox"/> Central Air <input type="checkbox"/> Room Units <input type="checkbox"/> Heat Pump <input type="checkbox"/> Through Wall <input type="checkbox"/> Electric Compressor <input type="checkbox"/> Gas Chiller <input type="checkbox"/> Air Filter <input type="checkbox"/> Air Handler <input type="checkbox"/> Thermostat No. 1 Condensing Unit Capacity: Age: Yrs. No. 2 Condensing Unit Capacity: Age: Yrs. No. 3 Condensing Unit Capacity: Age: Yrs. <input type="checkbox"/> Tested <input type="checkbox"/> Not Tested (see page 11) <input type="checkbox"/> Ductwork <input type="checkbox"/> Window units not tested	<input type="checkbox"/> Satisfactory <input checked="" type="checkbox"/> N/A
Remarks	<p><i>Not inspected.</i></p>	

PLUMBING AND BATHROOM PHOTOS



plumbing.JPG



plumbing (2).JPG

ELECTRICAL AND KITCHEN

SERVICE ENTRANCE CABLE	Capacity: 200Amps, Volts <input checked="" type="checkbox"/> Satisfactory Service line entrance: <input checked="" type="checkbox"/> Overhead <input type="checkbox"/> Underground <input type="checkbox"/> Raceway Conductor material: <input type="checkbox"/> Copper <input checked="" type="checkbox"/> Aluminum
MAIN PANEL BOX	Location: Behind projector <input checked="" type="checkbox"/> Grounded <input type="checkbox"/> Bonded <input checked="" type="checkbox"/> Satisfactory 200 Amps <input type="checkbox"/> Fuses <input checked="" type="checkbox"/> Circuit Breakers <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Subpanel Location: Several Capacity of Main Current Disconnect: 200Amps
CIRCUITS AND CONDUCTORS	Quantity: <input checked="" type="checkbox"/> Ample Branch Wiring: <input checked="" type="checkbox"/> Copper <input type="checkbox"/> Aluminum <input type="checkbox"/> Satisfactory Wiring method: <input checked="" type="checkbox"/> Romex <input checked="" type="checkbox"/> BX <input type="checkbox"/> Knob and Tube <input type="checkbox"/> Raceway <input type="checkbox"/> Conduit <input type="checkbox"/> Overfused circuit <input type="checkbox"/> Double tap breaker GFCI: <input type="checkbox"/> Exterior <input type="checkbox"/> Garage <input type="checkbox"/> Kitchen Bathroom(s)
OUTLETS, FIXTURES AND SWITCHES	<input checked="" type="checkbox"/> Random testing <input type="checkbox"/> Reversed polarity <input type="checkbox"/> Open ground <input checked="" type="checkbox"/> Satisfactory <input checked="" type="checkbox"/> Smoke detectors absent
Remarks	<i>Suggest having an electrician further evaluate the electrical grid to inspect and explain all panels and most switches.</i>
CABINETS AND COUNTER TOP	<input type="checkbox"/> Satisfactory
SINK	Plumbing Leaks: <input type="checkbox"/> Some signs: <input type="checkbox"/> None observed <input type="checkbox"/> Satisfactory Disposal: <input type="checkbox"/> Operating <input type="checkbox"/> Not Operating Age: Yrs.
DISHWASHER	<input type="checkbox"/> Operating <input type="checkbox"/> Not Operating Age: Yrs. <input type="checkbox"/> Satisfactory <input type="checkbox"/> Air gap or high loop <input type="checkbox"/> N/A
RANGE/ OVEN	<input type="checkbox"/> Range <input type="checkbox"/> Operating <input type="checkbox"/> Gas <input type="checkbox"/> Electric Age: Yrs. <input type="checkbox"/> Satisfactory <input type="checkbox"/> Wall oven <input type="checkbox"/> Operating <input type="checkbox"/> Gas <input type="checkbox"/> Electric Age: Yrs. <input type="checkbox"/> N/A <input type="checkbox"/> Cooktop <input type="checkbox"/> Operating <input type="checkbox"/> Gas <input type="checkbox"/> Electric Age: Yrs.
REFRIGERATOR	#1 <input type="checkbox"/> Operating <input type="checkbox"/> Frost free <input type="checkbox"/> Ice maker Age: Yrs. <input type="checkbox"/> Satisfactory #2 <input type="checkbox"/> Operating <input type="checkbox"/> Frost free <input type="checkbox"/> Ice maker Age: Yrs. <input type="checkbox"/> N/A
OTHER APPLIANCES	<input type="checkbox"/> Operating Age: Yrs. <input type="checkbox"/> Satisfactory <input type="checkbox"/> Operating Age: Yrs. <input type="checkbox"/> N/A
FLOOR COVERING	<input type="checkbox"/> Resilient tile <input type="checkbox"/> Sheet goods <input type="checkbox"/> Ceramic <input type="checkbox"/> Wood <input type="checkbox"/> Satisfactory <input type="checkbox"/> Laminate
VENTILATION	<input type="checkbox"/> Exhaust fan <input type="checkbox"/> Ductless <input type="checkbox"/> Vented to outside <input type="checkbox"/> Satisfactory <input type="checkbox"/> Filter <input type="checkbox"/> Light <input type="checkbox"/> N/A
CLOTHES WASHER	<input type="checkbox"/> Operating Age: Yrs. <input type="checkbox"/> Satisfactory <input type="checkbox"/> Not tested <input type="checkbox"/> N/A
CLOTHES DRYER	<input type="checkbox"/> Operating <input type="checkbox"/> Gas <input type="checkbox"/> Electric Age: Yrs. <input type="checkbox"/> Not tested <input type="checkbox"/> Satisfactory <input type="checkbox"/> Vented To: <input type="checkbox"/> N/A
Remarks	

INTERIOR AND ATTIC

FLOOR	<input type="checkbox"/> Hardwood <input type="checkbox"/> Softwood <input type="checkbox"/> Plywood <input checked="" type="checkbox"/> Wall-to-Wall Carpet <input type="checkbox"/> Resilient <input type="checkbox"/> Laminate <input checked="" type="checkbox"/> <i>Floor tiles.</i> <input type="checkbox"/> Not visible	<input checked="" type="checkbox"/> Satisfactory
WALLS	<input checked="" type="checkbox"/> Plaster <input type="checkbox"/> Drywall <input type="checkbox"/> Wood <input type="checkbox"/> Masonry	<input checked="" type="checkbox"/> Satisfactory
CEILING	<input checked="" type="checkbox"/> Plaster <input type="checkbox"/> Drywall <input type="checkbox"/> Wood	<input checked="" type="checkbox"/> Satisfactory
STAIRS / RAILINGS	<input checked="" type="checkbox"/> Balcony <input type="checkbox"/> Stairs <input type="checkbox"/> Railings	<input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> N/A
FIREPLACE	<input type="checkbox"/> Flue liner <input type="checkbox"/> Partially observed <input type="checkbox"/> Damper <input type="checkbox"/> Operating <input type="checkbox"/> Not operating <input type="checkbox"/> Metal pre-fab <input type="checkbox"/> Free-standing <input type="checkbox"/> Wood stove <input type="checkbox"/> Pellet stove <input type="checkbox"/> Gas <input type="checkbox"/> Operating <input type="checkbox"/> Not operating <input type="checkbox"/> Clean chimney before use	<input type="checkbox"/> Satisfactory <input checked="" type="checkbox"/> N/A
DOORS (INSIDE)		<input checked="" type="checkbox"/> Satisfactory
WINDOWS AND SKYLIGHT	<input type="checkbox"/> Double hung <input type="checkbox"/> Single hung <input type="checkbox"/> Casement <input type="checkbox"/> Awning <input type="checkbox"/> Sliding <input type="checkbox"/> Fixed <input type="checkbox"/> Wood <input type="checkbox"/> Vinyl or aluminum clad wood <input type="checkbox"/> Vinyl <input type="checkbox"/> Aluminum <input checked="" type="checkbox"/> Steel <input type="checkbox"/> Insulated Glass <input type="checkbox"/> Single pane glass <input type="checkbox"/> Roof windows and skylights <input type="checkbox"/> Moisture stains <input type="checkbox"/> Extensive	<input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> N/A
Remarks	<p><i>Building may contain lead paint and asbestos type tiles in various places. Have tested to determine.</i></p> <p><i>The rear door entrance and along the left wall does show some water entry that appears to be coming in from the exterior wall along the bottom. See the patch work and open caulk joints. The interior base</i></p>	
ACCESS	How Inspected: <input type="checkbox"/> Not inspected <input type="checkbox"/> Stairs <input type="checkbox"/> Pulldown <input type="checkbox"/> Scuttlehole <input type="checkbox"/> No access	<input type="checkbox"/> Satisfactory <input type="checkbox"/> N/A
MOISTURE STAINS	<input type="checkbox"/> Some signs <input type="checkbox"/> Extensive <input type="checkbox"/> None observed <input type="checkbox"/> Condensation	
STORAGE	<input type="checkbox"/> Heavy <input type="checkbox"/> Light <input type="checkbox"/> Floored <input type="checkbox"/> Not floored <input type="checkbox"/> No storage	
INSULATION	Type: Avg. Inches: Installed in: <input type="checkbox"/> Rafters <input type="checkbox"/> Floor Approx. R Rating: <input type="checkbox"/> Vapor retarders	<input type="checkbox"/> Satisfactory <input type="checkbox"/> N/A
VENTILATION	<input type="checkbox"/> Window(s) <input type="checkbox"/> Attic Fan <input type="checkbox"/> Whole House Fan <input type="checkbox"/> Turbine <input type="checkbox"/> Ridge Vent <input type="checkbox"/> Soffit Vent <input type="checkbox"/> Roof Vent(s) <input type="checkbox"/> Gable end louvers	<input type="checkbox"/> Satisfactory <input type="checkbox"/> N/A
Remarks	<p><i>No attics, only open upstairs room areas. These were inspected.</i></p>	

INTERIOR AND ATTIC PHOTOS



interior.JPG



interior (2).JPG



interior (3).JPG



interior (4).JPG

ROOFING SYSTEM AND EXTERIOR

ROOF COVERING	Location <i>Front entrance</i> <i>Front very top</i> <i>Rear flat</i>	Materials <i>Rubberized</i> <i>Rubberized</i> <i>Rubberized</i>	Age 15+ 15+ 15+	Yrs. Yrs. Yrs. Yrs.	<input type="checkbox"/> Satisfactory <input type="checkbox"/> Satisfactory <input type="checkbox"/> Satisfactory <input type="checkbox"/> Satisfactory
How inspected: <i>Roof top with ladder</i> Roof leaks: <input checked="" type="checkbox"/> Some signs <input type="checkbox"/> Extensive <input type="checkbox"/> None observed					
FLASHING	<input checked="" type="checkbox"/> Aluminum <input type="checkbox"/> Galvanized <input type="checkbox"/> Copper <input checked="" type="checkbox"/> Rubberized membrane				<input type="checkbox"/> Satisfactory <input type="checkbox"/> N/A
GUTTERS AND DOWNSPOUTS	<input checked="" type="checkbox"/> Aluminum <input type="checkbox"/> Galvanized <input checked="" type="checkbox"/> Copper <input type="checkbox"/> Vinyl <input type="checkbox"/> Wood Extensions: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				<input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> N/A
Remarks	<p><i>Front entrance roof shows leak signs. The rear flat roof shows open seams along the rear left para-pet wall area. Roof shows some rear, right water ponding. The interior ceilings show various degrees of leak signs. Peeling paint and plaster.</i></p> <p><i>Note: Para-pet wall tiles must have been removed when the new roof membrane was installed over the wall. Most are cracked and some are loose. Have a roofing Co. review.</i></p>				
EXTERIOR DOORS					<input checked="" type="checkbox"/> Satisfactory
WINDOWS AND SKYLIGHTS					<input checked="" type="checkbox"/> Satisfactory
EXTERIOR WALL COVERING	Location <i>All</i>	Materials <i>Brick</i>	<input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> Satisfactory <input type="checkbox"/> Satisfactory <input type="checkbox"/> Satisfactory		
EXTERIOR TRIM	<input type="checkbox"/> Eaves <input type="checkbox"/> Fascia <input type="checkbox"/> Soffits <input type="checkbox"/> Rake <input type="checkbox"/> Signs of deterioration <input type="checkbox"/> Extensive <input type="checkbox"/> None observed				<input checked="" type="checkbox"/> Satisfactory
CHIMNEY	<input checked="" type="checkbox"/> Brick <input type="checkbox"/> Metal <input type="checkbox"/> Block <input type="checkbox"/> Flue liner partially observed <input type="checkbox"/> Clean before use			<input type="checkbox"/> In chase	<input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> N/A
GARAGE/ CARPORT	<input type="checkbox"/> Garage <input type="checkbox"/> Carport <input type="checkbox"/> Attached <input type="checkbox"/> Detached <input type="checkbox"/> Door Operator <input type="checkbox"/> Operating <input type="checkbox"/> Safety Reverse				<input type="checkbox"/> Satisfactory <input checked="" type="checkbox"/> N/A
PORCH	Floor: <input type="checkbox"/> Wood <input type="checkbox"/> Concrete <input type="checkbox"/> Railing / Guardrail				<input type="checkbox"/> Satisfactory <input checked="" type="checkbox"/> N/A
Remarks:	<p><i>Exterior of this building is solid and in overall good condition.</i></p>				

ROOFING SYSTEM AND EXTERIOR PHOTOS



exterior.JPG



exterior (2).JPG



exterior (3).JPG



roof.JPG

ROOFING SYSTEM AND EXTERIOR PHOTOS



roof (2).JPG



roof (3).JPG



roof (4).JPG



roof (5).JPG

Nora G Amos
Ashland Town Theatre , Ashland, VA 23005

ROOFING SYSTEM AND EXTERIOR PHOTOS

ROOFING SYSTEM AND EXTERIOR PHOTOS



roof (6).JPG

GROUNDS

GRADING	General grading, slope and drainage (see pages 10 and 16) Grading and slope at house wall(within 5 feet from building)	<input type="checkbox"/> Satisfactory <input type="checkbox"/> N/A <input type="checkbox"/> Satisfactory <input type="checkbox"/> N/A
SIDEWALK AND WALKWAY	<input type="checkbox"/> Concrete <input type="checkbox"/> Brick <input type="checkbox"/> Flagstone	<input type="checkbox"/> Satisfactory <input checked="" type="checkbox"/> N/A
DRIVEWAY	<input type="checkbox"/> Concrete <input type="checkbox"/> Asphalt <input type="checkbox"/> Gravel <input type="checkbox"/> Brick	<input type="checkbox"/> Satisfactory <input checked="" type="checkbox"/> N/A
WINDOW WELLS	<input type="checkbox"/> Metal <input type="checkbox"/> Brick <input type="checkbox"/> Concrete	<input type="checkbox"/> Satisfactory <input checked="" type="checkbox"/> N/A
RETAINING WALL	<input type="checkbox"/> Brick <input type="checkbox"/> Block <input type="checkbox"/> Stone <input type="checkbox"/> Timber	<input type="checkbox"/> Satisfactory <input checked="" type="checkbox"/> N/A
TREES AND SHRUBBERY		<input type="checkbox"/> Satisfactory <input checked="" type="checkbox"/> N/A
FENCING	<input type="checkbox"/> Metal <input type="checkbox"/> Wood <input type="checkbox"/> Plastic	<input type="checkbox"/> Satisfactory <input checked="" type="checkbox"/> N/A
Remarks	<p><i>May want to consider regrading the left rear area of the building where the water is running towards the building and into the interior.</i></p>	
DECK/ BALCONY	<input type="checkbox"/> Signs of deterioration <input type="checkbox"/> Extensive <input type="checkbox"/> None observed <input type="checkbox"/> On grade <input type="checkbox"/> Raised <input type="checkbox"/> Wood <input type="checkbox"/> Metal <input type="checkbox"/> Handrail	<input type="checkbox"/> Satisfactory <input checked="" type="checkbox"/> N/A
PATIO, TERRACE	<input type="checkbox"/> Concrete <input type="checkbox"/> Brick <input type="checkbox"/> Flagstone	<input type="checkbox"/> Satisfactory <input checked="" type="checkbox"/> N/A
STEPS TO BUILDING	Landing: <input type="checkbox"/> Concrete/Masonry <input type="checkbox"/> Wood Steps: <input type="checkbox"/> Concrete/Masonry <input type="checkbox"/> Wood <input type="checkbox"/> Metal Handrails: <input type="checkbox"/> Wood <input type="checkbox"/> Metal <input type="checkbox"/>	<input type="checkbox"/> Satisfactory <input checked="" type="checkbox"/> N/A
OUTBUILDING	<input type="checkbox"/> Not inspected	
Remarks		

REMARKS (continued)

INTERIOR: WINDOWS REMARKS (cont'd)

does show some moisture signs per the moisture meter reading.

FACTS ABOUT THIS HOME INSPECTION

Throughout this report where the age of appliances, roof, etc., is stated, the age shown is approximate. It is not possible to be exact, but an effort is made to be as accurate as possible based on the visible evidence.

When any item in the report is stated to be "Satisfactory," the meaning is that it should give generally satisfactory service within the limits of its age and any defects or potential problems noted during the inspection.

STRUCTURAL AND BASEMENT

Basement or Crawl Space Dampness

Basement dampness is frequently noted in houses and the conditions that cause it are usually capable of determination by an experienced home inspector. Often, however, in houses that are being offered for sale, the visible signs on the interior of a basement which would indicate a past or present water problem are concealed. For example an area may be painted over, or basement storage may be piled against a wall where a problem has occurred. If there has been a dry period before the time of the inspection, signs of past water penetration may not be visible. In such cases, the inspector may not be able to detect the signs of basement dampness or water penetration.

Elimination of basement dampness, whether slight or extensive, can usually be accomplished by one or both of the following actions: realigning gutters and extending downspouts to discharge some distance from the house; and regrading in the vicinity of the house so that the slope goes away from the house rather than toward it.

In most soils, a minimum recommended slope away from the house is a 5 inch drop over a 5 foot distance (one inch per foot).

Expensive solutions to basement dampness problems are frequently offered, and it is possible to spend many thousands of dollars for such unsatisfactory solutions as a system for pumping out water that has already entered the basement or the area around or under it. Another solution sometimes offered is the pumping of chemical preparations into the ground around the house. This has been found not to be of value.

Independent experts recommend solutions that prevent water from entering the basement around or under the building, and their solutions can be as simple as purchasing a splash block for \$10 and placing it under a downspout outlet, or the purchasing of a load of fill dirt for building up the grade around the house.

Crawl spaces require the same care and water control as basements. Cross ventilation is necessary and installation of a plastic vapor barrier over a dirt floor is strongly recommended.

If you have a basement dampness problem that persists in spite of efforts you have made in solving it, call the inspector for further consultation and advice.

Insect Boring Activity and Rot

If there is an inaccessible basement or crawl space, there is a possibility that past or present termite activity and/or rot exists in this area. Since no visual inspection can be made, it is not possible to make a determination of this damage if it exists.

Insect Boring Inspection

No inspection is made by this company to detect past or present insect boring activity or rot. We recommend you contact a qualified exterminator should you desire more information or a possible examination of the building and/or a warranty.

HEATING AND COOLING

Testing the Air Conditioning System

If the outside temperature has not been at least 65 degrees F. for the past 24 hours, an air conditioning system cannot be checked without possibly damaging the compressor. In this situation, it is suggested that the present owner of the property warrant the operational status of the unit on an one-time start-up and cool-down basis when warmer weather allows.

Compressor/Condensing Unit

The major components of an air conditioning condensing unit are the compressor and the condensing coil. A compressor has a normal life of 8 to 15 years; a condensing coil may last longer. The estimated age of a condensing unit is taken from the specification plate. Sometimes the compressor, which is not visible, may have been replaced since the original installation.

Electric Furnace

Electric furnaces have a normal life of 15 to 20 years, although at times the heating elements have to be replaced

Oil and Gas Fired Furnaces

Oil and gas fired forced air furnaces have a normal life of 15 to 20 years.

Heat Exchanger

The heat exchanger in a gas or oil furnace is partially hidden from view; it cannot be fully examined and its condition determined without being disassembled. Since this is not possible during a visual inspection, it is recommended that a service contract be placed on the unit and a service call made prior to settlement to check the condition of the heat exchanger

Air Filter

Air filters should be changed or cleaned every 30 to 60 days to provide proper air circulation throughout the house and help protect the heating and cooling system.

Humidifier

Since it is not possible during a visual inspection to determine whether the humidifier is operating properly, it is recommended that it be serviced at the same time as the furnace, and be cleaned regularly.

Cast Iron Boiler

Cast iron hot water boilers have a normal life of 30 to 50 years.

Steel Boiler

Steel hot water boilers have a normal life of 15 to 30 years.

Circulating Pump

Circulating pumps have a normal life of 10 to 15 years.

Heat Pump

Outside units have a normal life of 6 to 10 years. Heat pumps operate best when serviced at least once a year. Adequate air flow is more critical than with other forced air systems; it is important that the filter be kept clean. It is not advisable to shut off supply grilles to rooms except as required to balance heat and cooling.

Heat pumps cannot be checked on the heat cycle if the outside temperature has been over 65 degrees F. within the past 24 hours. The total heating capacity of a heat pump system varies with outside temperature conditions.

Electric Baseboard Heater

Electric baseboard heaters have a normal life of 10 to 15 years.

PLUMBING AND BATHROOM

Wells

Examination of wells is not included in this visual inspection. It is recommended that you have well water checked for purity by the local health authorities and, if possible, a check on the flow of the well in periods of drought

Septic Systems

The check of septic systems is not included in our visual inspection. You should have the local health authorities or other qualified experts check the condition of a septic system.

In order for the septic system to be checked, the house must have been occupied within the last 30 days

Water Pipes

Galvanized water pipes rust from the inside out and may have to be replaced within 20 to 30 years. This is usually done in two stages: horizontal piping in the basement first, and vertical pipes throughout the house later as needed.

Copper pipes usually have more life expectancy and may last as long as 60 years before needing to be replaced.

Hose Bibbs

During the winter months it is necessary to make sure the outside faucets are turned off. This can be done by means of a valve located in the basement. Leave the outside faucets open to allow any water standing in the pipes to drain, preventing them from freezing. Hose bibbs cannot be tested when turned off.

Water Heater

The life expectancy of a water heater is 8 to 12 years. Water heaters generally are not replaced unless they leak.

The heating element in an electric water heater may require replacing prior to the end of life expectancy of the heater itself.

Leg Tubs

If the bathroom has a leg tub, it is probable that the waste lines are made of lead. In many jurisdictions, the lead waste pipes must be changed to copper or PVC pipes when remodeling work is performed in the bathroom.

Ceramic Tile

Bathroom tile installed in a mortar bed is excellent. It is still necessary to keep the joint between the tile and the tub/shower caulked or sealed to prevent water spillage from leaking through and damaging the ceilings below.

Ceramic tile is often installed in mastic. It is important to keep the tile caulked or water will seep behind the tile and cause deterioration in the wall board. Special attention should be paid to the area around faucets, other tile penetrations and seams in corners and along the floor.

Stall Shower

The metal shower pan in a stall shower has a probable life of 8 to 10 years. Although a visual inspection is made to determine whether a shower pan is currently leaking, it cannot be stated with certainty that no defect is present or that one may not soon develop. Shower pan leaks often do not show except when the shower is in actual use with a person standing in it.

ELECTRICAL AND KITCHEN

Aluminum Wiring

Houses built after 1960 may have aluminum lower branch wiring. Initially, this wiring was pure aluminum which proved unstable and subject to surface corrosion when placed in direct contact with dissimilar metals at fixture and outlet connections.

Later, aluminum alloy was used and although its performance was much better, special care and special connections must be used to prevent corrosion, overheating, arcing and fire. The practice of using aluminum alloy wiring was generally stopped around 1973; however, its use has continued on a limited basis.

Ground Fault Circuit Interrupters

Ground Fault Circuit Interrupters (GFCIs) are recommended on all outdoor outlets and on interior outlets in wet areas such as bath-rooms and kitchen counter areas. GFCIs should be tested monthly to insure they are functioning.

Smoke Detectors

If no smoke detectors are presently installed in the building, it is recommended that smoke detectors be installed at least in the ceiling of the basement near the mechanical equipment as well as in the hallway ceiling outside sleeping rooms

Carbon monoxide detectors are now required by some jurisdictions when the house contains any gas-burning appliances or has an attached garage. These devices should be placed and maintained in accordance with the manufacturer's directions.

Smoke detectors installed in the house should be checked every 2 to 3 weeks to ensure that they are functioning.

Power Usage of Appliances and Mechanical Equipment

Electric Range	30 - 50 Amps
Electric Dryer	25 - 40 Amps
Electric Hot Water Heater	25 - 30 Amps
Electric Central A/C	30 Amps
Room A/C	7 - 20 Amps
Electric Heat	50 - 75 Amps
Electric Heat Pump	50 - 75 Amps

Dishwashers and Disposals

Dishwashers and disposals have a normal life of 5 to 12 years

Ranges, Ovens and Refrigerators

Ranges, ovens, cook tops and refrigerators have a normal life of 15 to 20 years.

Clothes Washers and Dryers

Clothes washers and dryers cannot be inspected properly without a load of laundry, so these appliances are not tested other than to determine whether they are operating.

A washer or dryer has an average life of 6 to 12 years.

When hooking up a dryer, it must be kept vented to the exterior to prevent excessive moisture from building up in the house.

Washers and dryers often are not included in "as is" condition.

INTERIOR AND ATTIC

Fireplace

It is important that a fireplace be cleaned on a routine basis to prevent the buildup of creosote in the flue, which can cause a chimney fire.

Masonry fireplace chimneys are normally required to have a terra cotta flue liner or 8 inches of masonry surrounding each flue in order to be considered safe and to conform with most building codes.

During a visual inspection it is common to be unable to detect the absence of a flue liner either because of stoppage at the firebox, a defective damper, or lack of access from the roof.

Asbestos and Other Environmental Hazards

Asbestos fiber in some form is present in many homes, but it is often not visible or cannot be identified without testing.

If there is reason to suspect that asbestos fiber may be present and it is of particular concern, a sample of the material in question may be removed and examined in a testing laboratory. However, detecting or inspecting for the presence or absence of asbestos is not a part of our inspection.

Also excluded from this inspection and report are the possible presence of or danger from lead in water, radon gas, mold, mildew, lead paint, urea formaldehyde, EMF (electromagnetic fields), toxic or flammable chemicals and all other similar or other potentially harmful substances and environmental hazards.

Plaster on Gypsum Lath (Rock Lath)

Plaster on gypsum lath will sometimes show the seams of the 16" wide gypsum lath, but this does not indicate a structural fault. The scalloping appearance can be leveled with drywall joint compound, or drywall can be laminated over the existing plaster.

Nail Pops

Drywall nail pops are due in part to normal expansion and contraction of the wood member to which the gypsum lath is nailed, and are usually only of cosmetic significance.

Wood Flooring

Always attempt to clean wood floors first before making the decision to refinish the floor. Wax removers and other mild stripping agents plus a good waxing and buffing will usually produce satisfactory results. Mild bleaching agents help remove the deep stains.

Sanding removes some of the wood in the floor and can usually be done safely only once or twice in the life of the floor.

Animal odors and stains are common in older homes. These problems cannot be positively identified in a general or visual inspection.

Carpeting

Where carpeting has been installed, the materials and condition of the floor underneath cannot be determined.

Access to Attic

If there are no attic stairs or pulldown, the attic may be inaccessible and therefore uninspected. Lacking access, the inspector will not be able to inspect the attic insulation, framing, ventilation or search for evidence of current or past roof leaks

ROOFING

Inspection of Roof

Many roofs are hazardous to walk on and in most cases can be satisfactorily inspected from the ground with or without binoculars or from a window with a good view of the roof. Some roofs, such as asbestos cement, slate, clay or concrete tile, shingles or shakes, may be seriously damaged by persons walking on them. Accordingly, the building analyst will base the inspection report on visible evidence which can be seen without walking on the roof.

The condition of a built-up or flat metal roof often cannot be determined unless it is possible for the building analyst to closely inspect its surface. Access to the roof from within the building is sometimes possible, but in many cases an additional inspection may be scheduled with special ladders to reach the roof from the outside.

“Satisfactory” Roof Covering

When the report indicates that a roof is “satisfactory,” that means it is satisfactory for its age and general usefulness. A roof which is stated to be satisfactory may show evidence of past or present leaks or may soon develop leaks. However, such a roof can be repaired and give generally satisfactory service within the limits of its age.

Asphalt and Fiberglass Shingles

In cold and temperate climates, asphalt and fiberglass shingle roofs have a normal life of 15 to 20 years. In the South and Southwest, they have a normal life of 12 to 15 years. If a new roof is required, it may be installed over the original roof unless prohibited by local building codes. If two layers of roofing have already been installed, most building codes require both layers to be removed before installing a new roof covering.

Built-up Roof

Four-ply built-up roofs have a normal life of 15 to 20 years if they drain properly. If there is standing water on the roof, the rate of deterioration is doubled. One-ply flexible sheet membrane roofs have a normal life of 15 to 20 years.

Roll Roofing

Selvage or asphalt roll roofing is an inexpensive type of roof with a life of 5 to 10 years.

Wood Shingles and Shakes

Wood shingles and shakes have more insulating value than other roofs. Wood shingles have a normal life of 12 to 15 years, and shakes have a normal life of 15 to 20

Slate Roof

Slate roofs have a normal life of 30 to 75 years depending upon the grade of slate. Slate roofs do need annual maintenance, and it is necessary to replace defective slates and tar ridges as required from time to time.

If improperly installed, the nails fastening slates may rust through; individual slates can be lifted and re-laid with copper slating nails. When one set of nails rusts through, it is likely it will happen soon to other slates, so lifting and relaying of all the slates may be required in the near future.

Clay Tile Roof

A clay tile roof has a normal life of 30 to 50 years, but individual pieces can become cracked or broken or the nails rust out. Tiles may have to be replaced periodically.

Asbestos Cement Shingles

Asbestos cement shingles have a normal life of 30 to 50 years, but they are brittle and individual shingles should be replaced as needed. In many states, removal of asbestos cement shingles must be according to EPA standards.

Metal Roof

Metal roofs have a very long life if the exposed metal is kept coated with paint. When a metal roof has been tarred, it is impossible to determine the condition of the metal under the tar. While there may be no evidence detected of any ongoing leaks, it is possible the roof has rusted through and will need replacement in the near future.

EXTERIOR AND GROUNDS

Wood Siding

Western red cedar and redwood are excellent siding materials and should be kept painted or stained to preserve them from deterioration.

Cedar shingles or shakes may be painted, stained or left to weather.

Aluminum and Vinyl Siding

Aluminum siding has a factory finish and vinyl siding has solid color throughout each piece.

Upkeep on aluminum and vinyl sidings is minimal and they only need to be cleaned periodically with a sponge and water solution.

Stucco

It is important to prevent cracks from forming in exterior stucco since water can seep into cracks, freeze, expand and cause deterioration of the framing as well as further cracking of the stucco.

Masonry

Solid brick, block or stone exterior walls require little maintenance, but it is necessary to inspect the walls regularly to detect signs of mortar deterioration.

At some point, masonry walls will always require tuckpointing of the mortar joints to prevent water penetration and wall damage.

Vines growing into the mortar joints of a masonry wall can also cause water penetration.

The brick walls of a brick veneer house are attached to the wall structure of the house and are not themselves structural. They should be cared for the same as a solid masonry wall, but cracks in the brick veneer wall do not necessarily indicate structural damage to the wall.

Exterior Wood Surfaces

All surfaces of untreated wood need regular applications of oil based paint or special chemicals to resist rot. Porch or deck columns and fence posts which are buried in the ground and made of untreated wood will rot within a year or two.

All posts and wood members with ground contact should be of treated wood or constructed of wood which has natural resistance to rot, such as redwood.

Decks should always be nailed with galvanized or aluminum nails.

Sidewalks and Driveway

Spalling concrete cannot be patched with concrete because the new wall will not bond with the old. Water will freeze between the two layers, or the concrete will break up from movement or wear. Replacement of the damaged section is recommended.

Window Wells

The amount of water that enters a window well from falling rain is generally slight, but water will accumulate in window wells if the yard is improperly graded. See page 16 for proper corrective action.

Plastic window well covers are useful in keeping out leaves and debris, but they do block ventilation and light.

Retaining Walls

Retaining walls deteriorate because of excessive pressure build-up behind them, generally due to water accumulation. Often conditions can be improved by excavating a trench behind the retaining wall and filling it with coarse gravel. Drain holes through the wall will then be able to relieve the water pressure.

Retaining walls sometimes suffer from tree root pressure or from general movement of top soil down the slope. Normally these conditions require rebuilding the retaining wall.

Roof and Surface Water Control

Roof and surface water must be controlled to maintain a dry basement. This means keeping gutters cleaned out and aligned, extending downspouts, installing splash blocks, and building up the grade so that roof and surface water are diverted away from the building.

A positive grade of approximately 1 inch per foot slope for at least 5 feet from the foundation walls is recommended. Where trees, air conditioning units and other obstructions do not permit the recommended slope, surface drains can be used instead. Failure to control surface water will usually result in a wet basement.