

Charlebois Family Investments Inc.

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Executive Summary

- ▶ Issues
- ▶ Recommendations and alternatives
- ▶ Strategy
- ▶ Finance
- ▶ Implementation

Potential Course of Action

- ▶ Keep both malls
- ▶ Keep neither mall
- ▶ Keep Hartford mall
- ▶ Keep Portland mall

Risk for Keeping Hartford Mall

- ▶ Continued foreclosures in mall
- ▶ Continued decline in grocery sales
- ▶ High competition from e-commerce

Risk for Keeping Portland Mall

- ▶ Continued foreclosures in mall
- ▶ Continued decline in grocery sales
- ▶ High competition from e-commerce
- ▶ High competition from other stores in the area

Financial Comparison

Portland

			SQ FT	Store Fronts
		<i>Retail</i>	125,400	22
Population	515,000	<i>Office</i>	20,000	N/A

<i>Est. Value</i>	\$ 14,540,000
<i>Value Per SQ FT</i>	\$100

Assume 75% CAPACITY		<i>Rental Price/SQ FT</i>	\$5
Est. Revenue	Monthly	After 25% Loss of Leases	\$ 27,262.50
	Yearly	After 25% Loss of Leases	\$ 327,150.00

Anchor Stores

None

Hartford		SQ FT		Stores
			<i>Retail</i>	425,000
Population	1,215,000	<i>Office</i>	-	N/A

<i>Est. Value</i>	\$85,000,000
<i>Value Per SQ FT</i>	\$200

Assume 75% CAPACITY		<i>Rental Price/SQ FT</i>		\$7
Revenue	Monthly	After 25% Loss of Leases	\$	53,125.00
	Yearly	After 25% Loss of Leases	\$	637,500.00

Anchor Stores

Sears	Closing
JC Penney	Potential Closing
Macy's	Potential Closing

Financial Considerations

- ▶ Activity Based Costing System
 - ▶ Maintenance
 - ▶ Utilities
 - ▶ System allows for a more accurate application of costs
 - ▶ Use Square Footage as cost driver
- ▶ Keep Debt, Invest in asset with immediate cash flow potential

Proposed Recommendation

- ▶ ***Sell the Portland Mall***
- ▶ Build commuter parking lot
- ▶ Increase restaurant space and recruit further restaurants
- ▶ Ask sister in law to lead new store recruitment

Implementation Plan

Task	Cost/Savings	Time Scale
Sell Portland mall	Approximately \$14 million	12-24 months
Build commuter parking lot	Initial cost: Future savings:	12 months
Add kitchen's to mall	-\$1,000,000	18 months
Build movie theater	-2,000,000	18 months
Recruit restaurants	-\$10,000	24 months
Recruit further stores	-\$20,000	Ongoing

Thank you