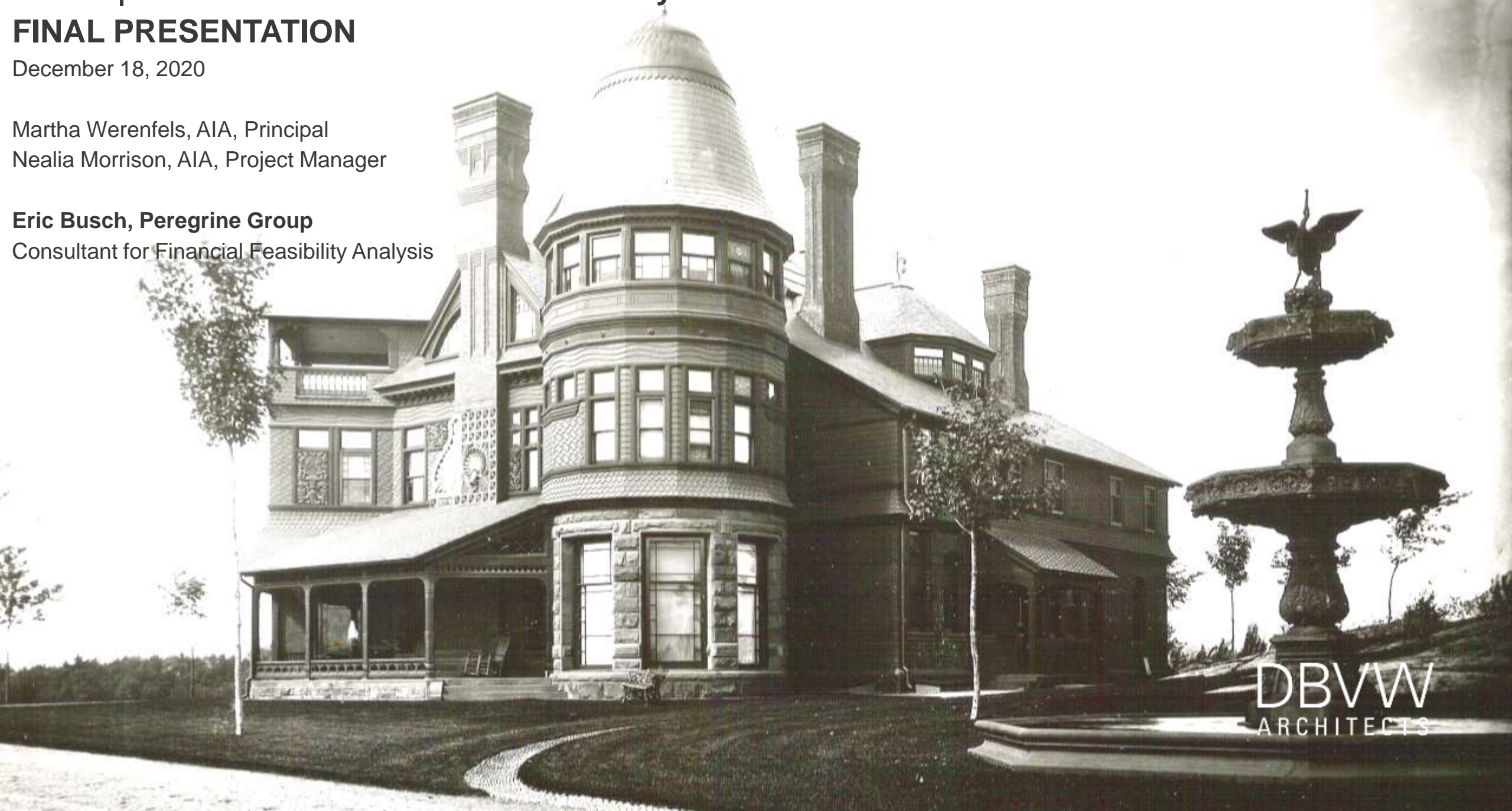


DBVW | WHITE CLIFFS: Phase III Feasibility and Reuse FINAL PRESENTATION

December 18, 2020

Martha Werenfels, AIA, Principal
Nealia Morrison, AIA, Project Manager

Eric Busch, Peregrine Group
Consultant for Financial Feasibility Analysis

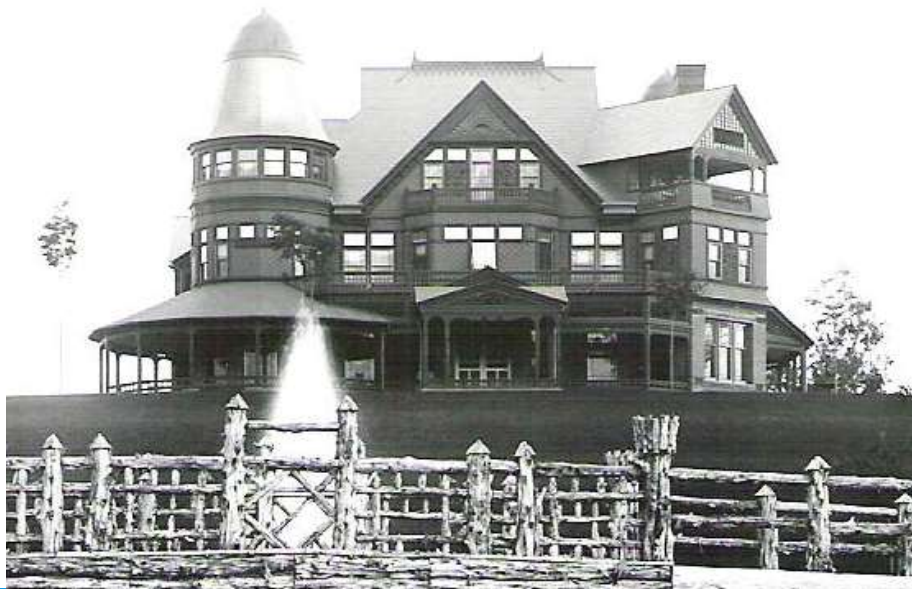


DBVW
ARCHITECTS

FINAL PRESENTATION

Report Summary

1. History of Property
2. Identification of Character Defining Features
3. Development of Existing Condition Drawings
4. Assessment of Conditions and Prioritization
5. Recommendations for and Completion of Phase I Work
6. Exploration of Reuse Options
7. Identification of Comparable Event Facilities
8. Financial Feasibility Analysis
9. Conclusions
10. Next Steps



HISTORIC PHOTOGRAPHS (circa 1890s and 1940s)

THE COSTLY NORTHBORO RESIDENCE

Built by D. B. Wesson – Some Features of “The Cliffs.”

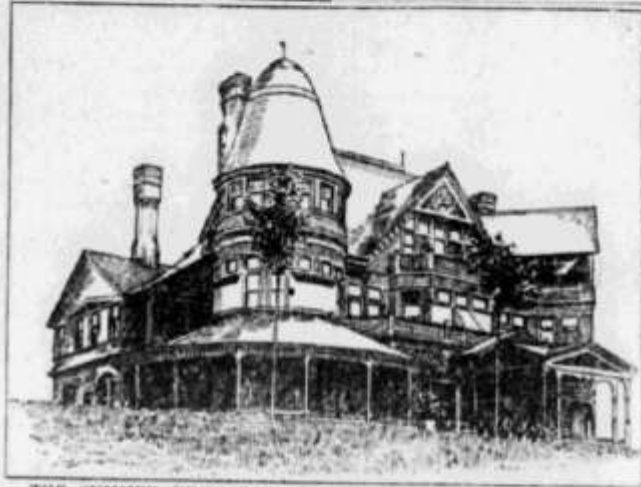
Outside of the Lenox district, there is probably no costlier or handsomer summer residence in inland Massachusetts than D. B. Wesson's mansion at Northboro. It was built five years ago, at a cost of over \$100,000, and has been christened “The Cliffs,” as it occupies an eminence. The structure was planned by Architect Seabury, and occupies a space 60 by 80 feet. It is 2 ½ stories high, the first story walls being of brick and stone. The towers are of the same material, but the rest of the house has shingled sides. The general style is of an English country residence. The main entrance is through the porte-cochere, which forms the center treatment, flanked by ornamental towers. A marble piazza 13 feet wide surrounds the front and two sides. On passing through the vestibule one enters a beautiful hall, the interior feature of the building. It extends up to the roof and is lighted by a skylight, while a balcony gives access to the chambers. The hall is finished in polished and carved oak, the stairs in the rear passing over the fireplace. There is also an elevator in the rear. On the right is the library, finished in black walnut, and from it opens a bay window 11 feet in diameter. Behind the library is the parlor, finished in satin wood, while the dining room is across the hall and opens out into another bay window formed by the tower. Over the main entrance is a large octagonal bay window, and the rest of the floor is given up to six chambers.

Methodist missionary work in Africa has been very much stimulated by a visit to that country of Bishop Newman.

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THE SUMMER RESIDENCE OF D. B. WESSON AT NORTHBORO.

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1825 Daniel Baird Wesson born Worcester, MA
Cynthia Maria Hawes born Northborough, MA

1830

1835

1840s Wesson apprentices as a gunsmith Northborough, MA

1840

1845

1847 Wesson and Hawes marry Thompson, CT

1850

1852 Wesson partners with Horace Smith

1854 Original Smith & Wesson company founded Norwich, CT

1856 Benjamin Hammett Seabury born

1860

1861-1865 American Civil War, bolstered sales of Smith & Wesson revolvers

1865

1870

1875



Daniel and Cynthia Wesson
Source: Town of Northborough



Horace Smith and Daniel Wesson
Source: Springfield Museums



Smith & Wesson advertisement
Source: smith-wesson.com



Source: Northborough Historical Society

1880

1882 D. B. Wesson purchases land to become The Cliffs from Tristram Pinkham

1885

1886 The Cliffs complete for over \$100,000, article published in Springfield Republican

1890

1895

1900

1905

1906 D. B. and Cynthia Wesson die Springfield, MA

1910

1910 The Cliffs sold to Alfred Thomas

1915

1920

1926 The Cliffs sold to Muriel (Lacier) Bourgeois

1925

4/28/1928 The Cliffs sold to Nickerson Co

8/10/1928 The Cliffs sold to Thomas Sullivan

8/21/1928 The Cliffs sold to George Rousell

1930

1931
The Cliffs suffers significant fire

1935

1938
The Great New England Hurricane of 1938

1940

6/8/1942
The Cliffs sold to Clinton Savings Bank

1942
The Cliffs sold to Panepirotic Federation of America

11/28/1945
The Cliffs sold to Felician Rojcewicz

1945
Northborough Manor begins operation as a Restaurant

1945
B. H. Seabury Dies
Springfield, MA





7/14/1949
Northborough Manor sold to Albert Rojcewicz (Al Rogers)

1950

8/19/1953
Northborough Manor sold to Tomaiole brothers

1953
White Cliffs begins operation as a restaurant and function facility

1955

Source: Northborough Historical Society

1960

1961
Kitchen addition built

1965

1969
Kitchen and ballroom additions built

1970

1975
Miscellaneous renovations/repairs

1980
2/27/1985
White Cliffs sold to LaCava Companies

1985
White Cliffs operated as a function facility only

1985
Miscellaneous renovations/repairs

1986
Miscellaneous renovations/repairs

1990

1995
1996
Roof Replacement

2000




2005

2010
2014
White Cliffs officially closed for business

2015
2016
Northborough votes to purchase White Cliffs

2017
White Cliffs sale finalized


2020
2020
Roof Replacement

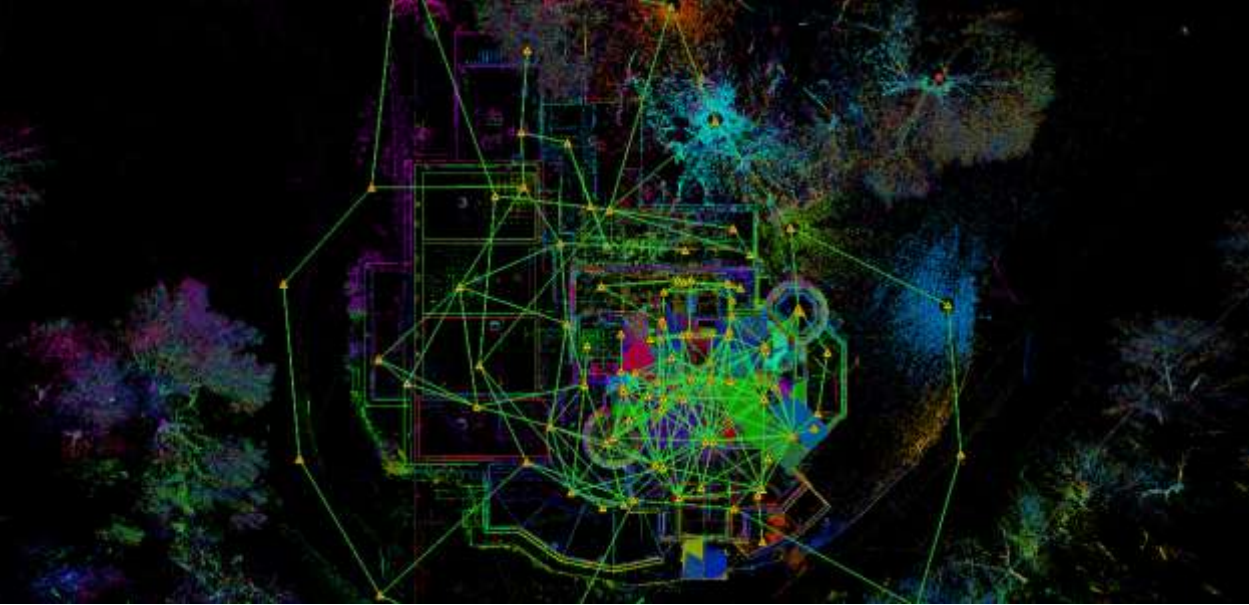
Source: Northborough Historical Society

Source: DRVW Architects

NUMBER	LOCATION	FEATURE	DESCRIPTION	LEVEL OF SIGNIFICANCE	IMAGE
1.	Exterior	Roof - overall form	Steep gabled roofs with multiple dormers. Towers originally had half-timbered roofs that have been replaced with flat roofs.	High	
2.	Exterior	Chimneys	Tall, decorative chimneys feature brick and have cast-iron crowns.	High	
3.	Exterior	Turrets	Multi-level towers adorn the southeast and southwest corners of the house. Each tower has two original roofs and currently have flat roofs.	High	
4.	Throughout	Windows	Multiple window designs with varying configurations and muntin patterns adorn the facade.	High	

NUMBER	LOCATION	FEATURE	DESCRIPTION	LEVEL OF SIGNIFICANCE	IMAGE
9.	Multiple	Decorative interior woodwork	Decorative woodwork adorns fireplaces, stairs, window and door openings, walls, etc.	Medium	
10.	Multiple	Decorative ceilings	Multiple decorative ceilings on the first and second floors feature wood coffers of various patterns and decorative, stenciled paint schemes.	Medium	
11.	Multiple	Stained Glass	Many of the windows, as well as the light fixture above the central stair, contained decorative stained glass panels. The stained glass has been removed and is in storage. Collectively it represents a character-defining element.	Medium to High	

IDENTIFICATION of CHARACTER DEFINING FEATURES



LASER SCAN of HOUSE

ASSESSMENT and RECOMMENDATIONS

1. Building is generally in sound condition
2. Main sloped roof is in fair to poor condition
3. Flat roofs are in very poor condition
4. Areas requiring immediate attention:
 - Repair or replace skylight and chimney flashings
 - Install new roofs at turrets
 - Secure or remove flat-roofed additions
 - Secure building from intrusion and vandalism





SKYLIGHT AND CHIMNEY FLASHING RESPONSIBLE FOR INFILTRATION

PHASE I COMPLETE

- Sloped Roof Replacement
- Flat Roof Replacement at Two Turrets
- Flashing and Cricket Replacement at Chimneys
- Skylight Repair
- Repair of Fire Damaged Roof Framing and Sheathing
- Dormer Restoration





ROOF REPLACEMENT: DONE



DORMER AND FLAT ROOFS: REPAIRED AND REPLACED

WORK NOT COMPLETED

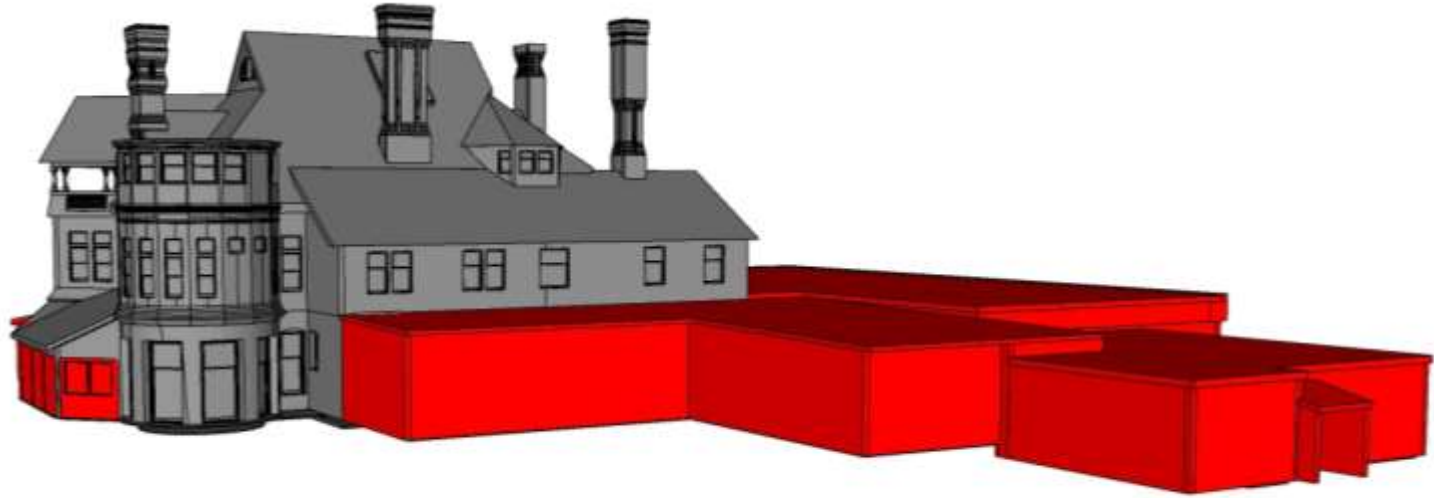
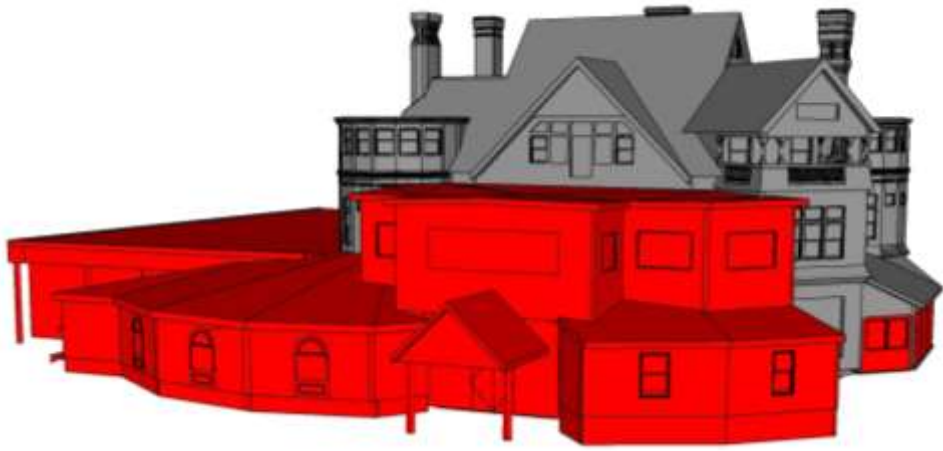
- Restoration of South Chimney
- Removal or Reroofing of Flat Roofed Additions



PRIORITY WORK NOT COMPLETED

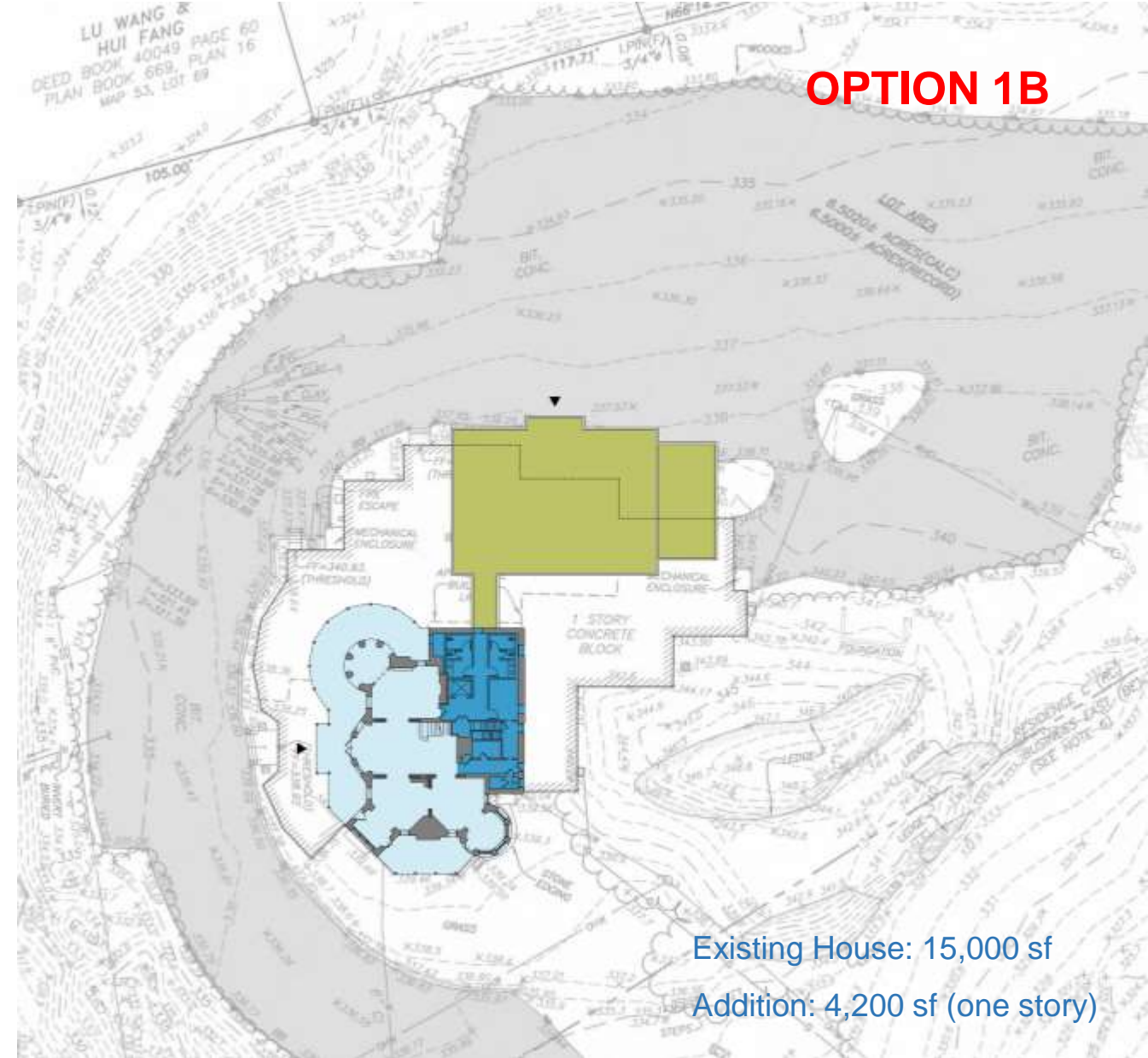
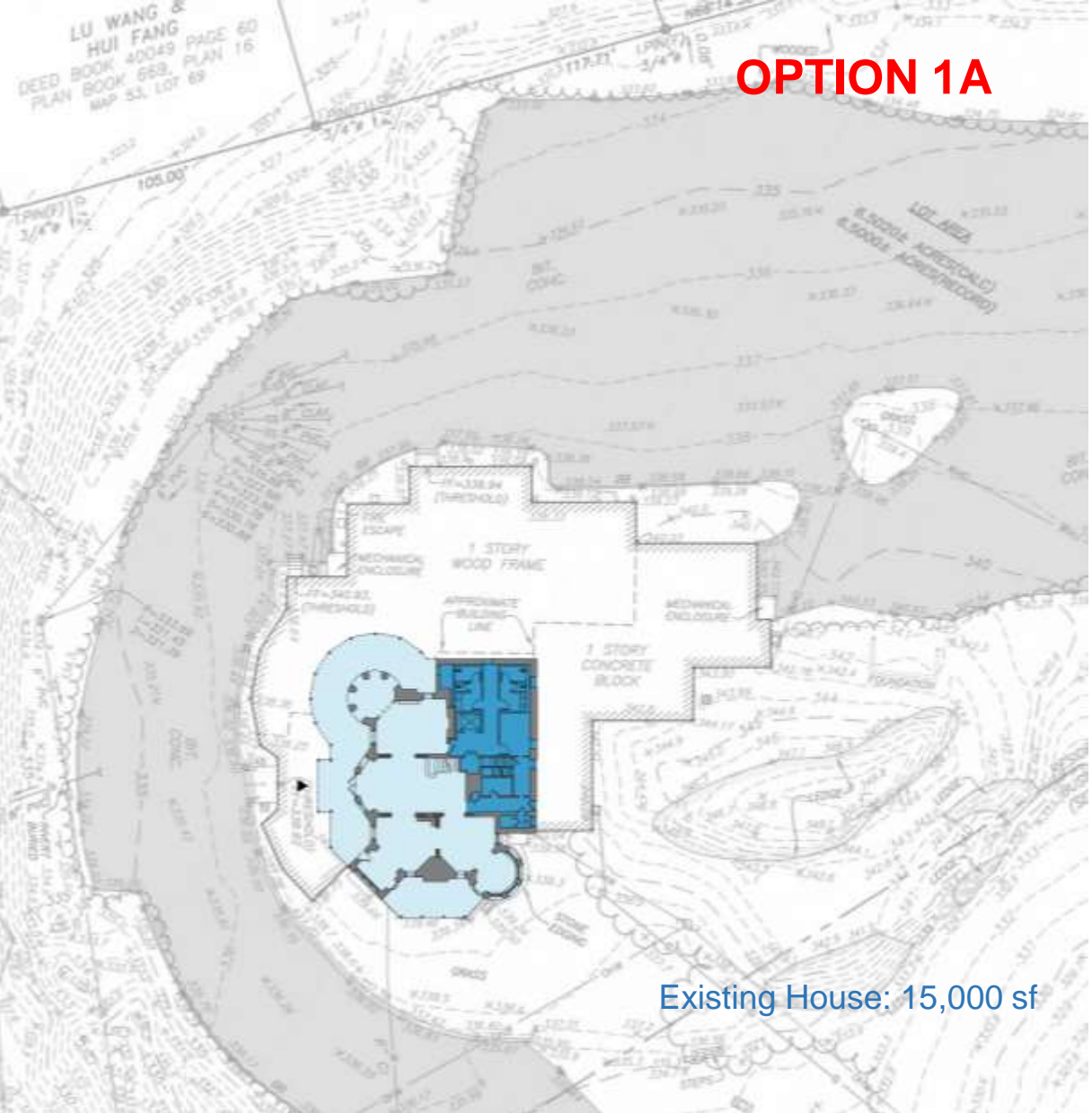
Category	Use Types	Ownership	Financing Considerations	Pros	Cons	Evaluation
Residential	Condominiums	Private / Management Company	Potential for partial market financing	Capitalize on historic exterior	Moderate to major architectural impact on interior	Do not pursue (due to site constraints)
	Apartments	Private / Management Company	Large financial investment	Compatible with residential neighborhood	Limited site for development	
	Affordable Housing	Private (Non-Profit) or Housing Authority	Assumed need for density to make financially viable may require significant new construction on site.		House not available to public	
	Senior Housing	Private or Housing Authority				
Cultural	House Museum	Private (Non-Profit)	Large financial investment	Capitalize on historic exterior and interior	Contingent on owner/operator/organization that will drive the process; or clear operating/fundraising affiliation.	Do not pursue (due to owner / operator concerns)
	Arts Center		Potential for tax credits / grants	Minor impact on existing building	Limited identified need in area	
			Reliance on donor support	Community benefit	House museums within the region are challenged with economic sustainability	
			Limited to no opportunity for market financing	House becomes available to public		
Municipal	Town Hall	Town of Northborough	Significant financial investment	Capitalize on historic exterior and interior	Moderate impact on interior	Pursue (due to ownership by Town and need for improved administrative / municipal space)
	Community Center		No / Limited market financing solution	Community benefit	Large addition required	
	Municipal Offices			House becomes available to public		
				Ample parking		
				Could combine with other uses (i.e. event)		
				Building already owned by town		

Category	Use Types	Ownership	Financing Considerations	Pros	Cons	Evaluation
Hospitality / Event	Restaurant	Private or Town of Northborough	Potential for partial market financing	Capitalize on historic exterior and interior	Moderate impact on interior	Pursue (due to history of similar use)
	Hotel		Medium to large financial investment	House becomes somewhat available to public	Addition likely to be required Owner / Operator structure to be determined based on various models	
	Bed & Breakfast		Phased approach may help financial viability by deferring portion of capital raise until after demand is proven/established	Ample parking	Limited need in area	
	Conference Center			History of restaurant and event use	Commercial kitchen likely to be required	
	Event			Variety of different size spaces already exist	Use may impact surrounding residential uses via noise, traffic in evenings/weekends	
				Potential for phasing construction		
Educational / Institutional	Conference Center	Private	See above	See above	Difficult to find owner, requires commitment by local institution	Pursue only in combination with another use
	Event					
	Classroom					
	Office					
Commercial	Office	Private / Management Company	Potential for partial market financing	Ample parking	Moderate to major impact on interior	Do not pursue (due to lack of need in local market)
	Medical		Large financial investment	Proximity to town center (under 1 mile)	Availability of lower cost commercial space in Northborough	
	Retail		Market financing may be largely dependent on identified/credit-worthy lease or identified user		No foot traffic	
	Funeral Home				Potentially difficult to find owner	



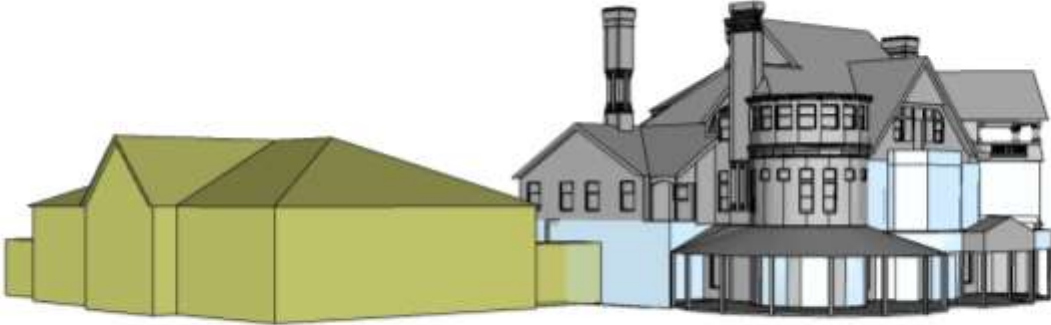
Historic Portion of House: 15,000 sf

HOUSE WITH AND WITHOUT EXISTING ADDITIONS



OPTION 1: EVENT SPACE

OPTION 1B



Pros:

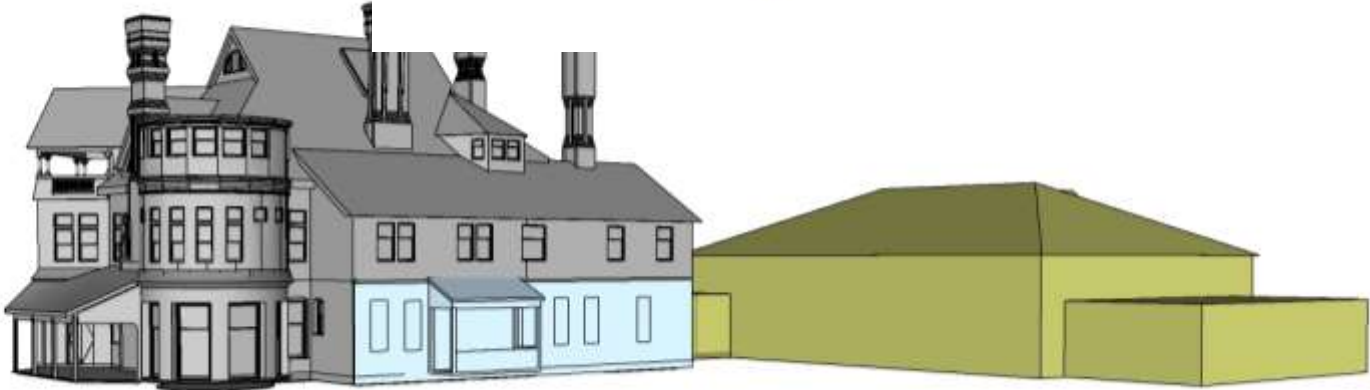
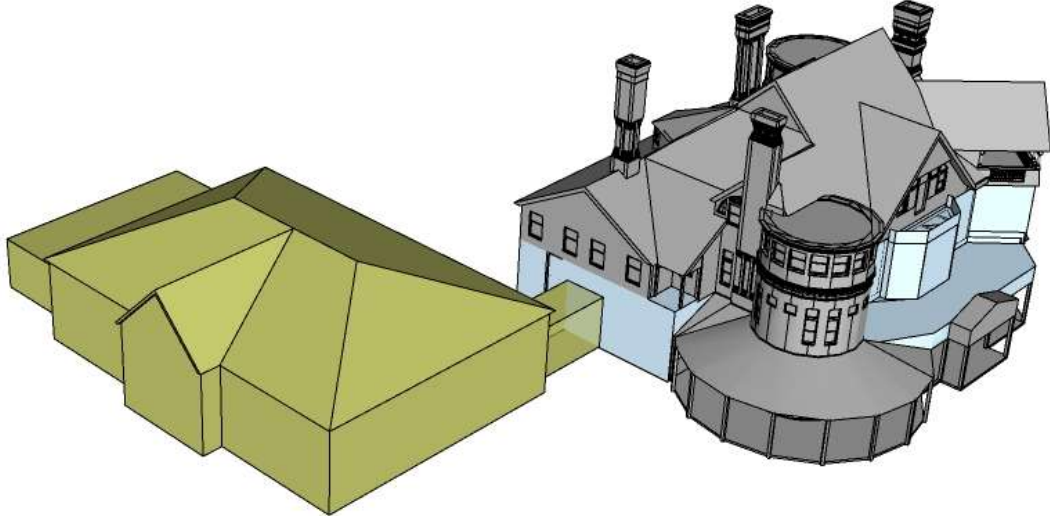
- Most Feasible Use
- Preserves Building to Great Extent
- Semi-Public Use

Cons:

- Cost of Addition
- Potential Noise
- Largest Parking Requirement

Existing House: 15,000 sf

Addition: 4,200 sf (one story)



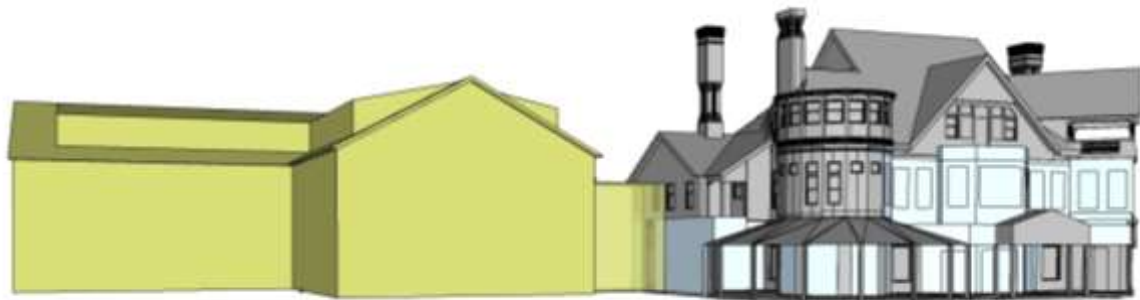
OPTION 2



Existing House: 15,000 sf
Addition: 21,000 sf (7,000 sf per floor, three stories)

OPTION 2: MUNICIPAL USE

OPTION 2



Pros:

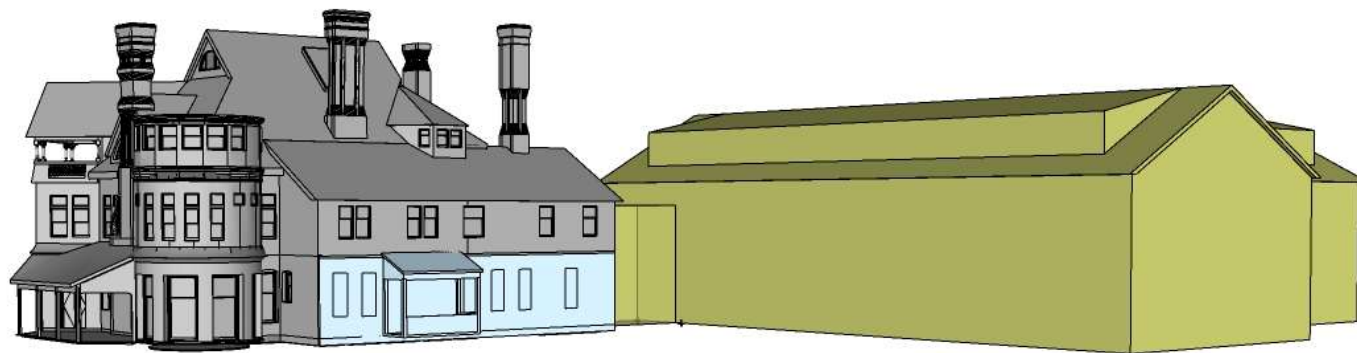
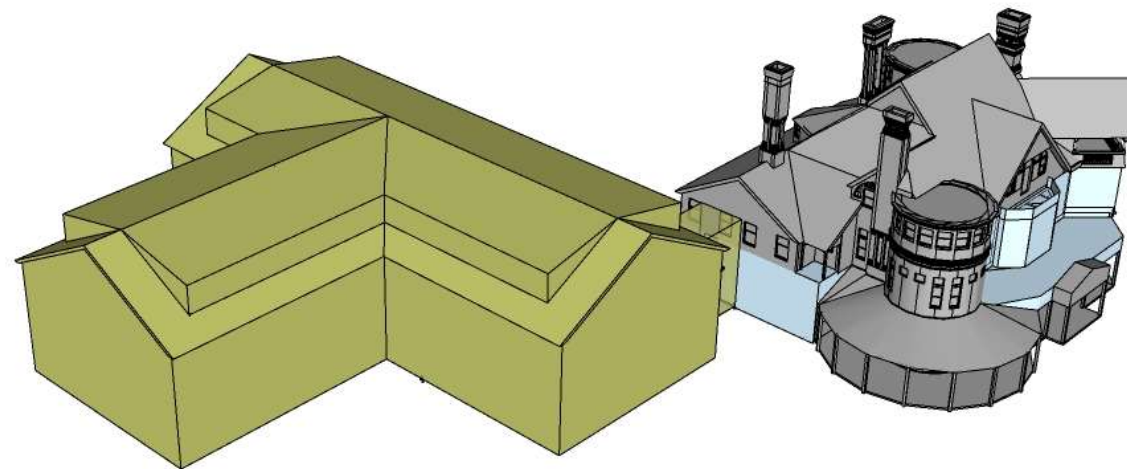
- Municipal Facility is Needed
- Preserves Building to Great Extent
- Public Use

Cons:

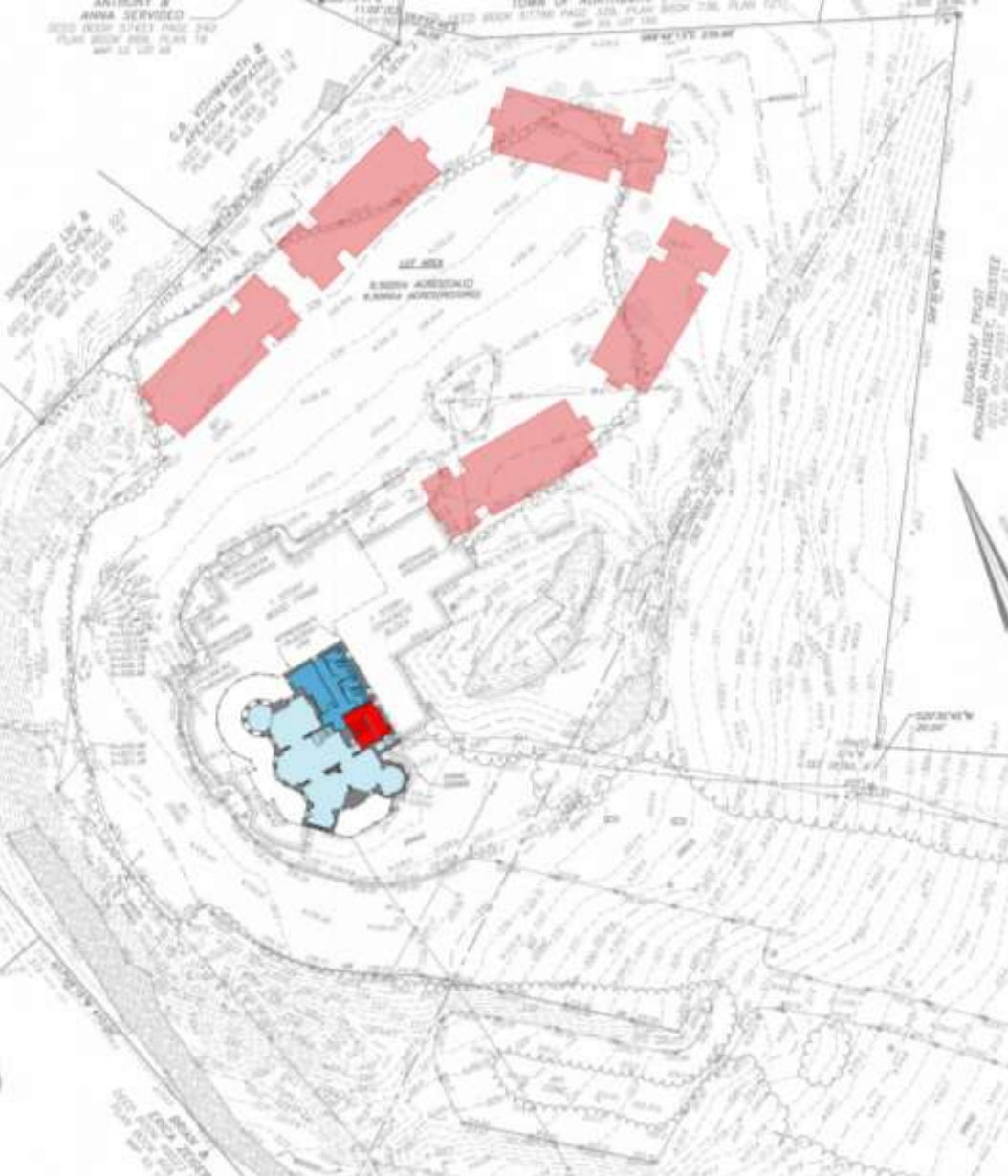
- Large Addition Required
- High Cost

Existing House: 15,000 sf

Addition: 21,000 sf (7,000 sf per floor, three stories)



OPTION 3



Pros:

- Preserves Building
- First Floor of Existing Building could be Semi-Public
- Low Impact on Neighborhood

Cons:

- Cost of New Construction
- Private Use

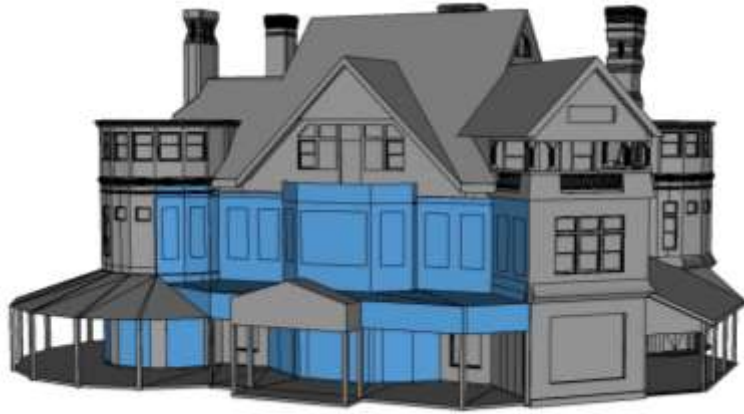
Existing House: 2 Townhouse Units

New Construction: 20 Units in 5 Buildings

OPTION 3: RESIDENTIAL REUSE

Preservation Lite:

OPTION 4



- Remove most later additions
- “Restore” exterior only as needed
- All new mechanical, electrical, plumbing and fire protection systems
- Basic code upgrades, as needed

Pros:

- Least Costly Approach
- Does not Eliminate any Potential Uses

Cons:

- Full Preservation not Included
- Use To Be Determined



Existing House: 15,000 sf

Existing Kitchen Addition: 1,025 sf

Category	Restoration of White Cliffs	Added Cost Based on Use	Demolition of Additions (Including Haz-Mat)	New Construction	Site Improvements	Construction Costs		Soft Costs (30%)	Total	Next Steps for Town
	10,205 GSF	By Use Category	11,360 GSF	By Use Category	283,544 GSF	Hard Costs	Contingency (10%)			
1A	\$6,633,250 (\$ 650 / SF)	Not Applicable	\$454,400 (\$ 40 / SF)	Not Applicable	\$750,000	\$7,837,650	\$783,765.0	\$2,351,295.0	\$10,972,710	Seek zoning relief Identify operator Conduct detailed market study
1B		Not Applicable		Ballroom and Commercial Kitchen (4,850 GSF)	\$1,500,000	\$10,748,900	\$1,074,890	\$3,224,670.0	\$15,048,460	See above
		Hospitality / Event (w/ New Ballroom / Kitchen Addition)		\$2,161,250 (\$ 475 / SF)						
2		Not Applicable		Town Hall (22,000 GSF)	\$1,500,000	\$21,237,650	\$2,123,765	\$6,371,295.0	\$29,732,710	Evaluate public financing options Conduct programming study Complete inventory of Town owned property
		Municipal (1st Floor Meeting / Event Space)		\$12,650,000 (\$ 575 / SF)						
3		2 Residential Units 2nd & 3rd Floors (6,325 GSF)		\$2,000,000	5 Buildings w/ 4 Residential Units Each (23,000 GSF)	\$13,745,150	\$1,374,515	\$4,123,545.0	\$19,243,210	Seek zoning relief Identify developer Begin fundraising for restoration
	\$632,500 (\$ 100 / SF)	\$4,025,000 (\$ 175 / SF)								
4	\$3,061,500.00 (\$ 300 / SF)	Reno of Select Additions (9,080 GSF)	Removal of Select Additions (2,280 GSF)	Not Applicable	\$200,000	\$4,260,700.00	\$426,070	\$1,278,210.00	\$5,964,980.00	OPTION 4 - SCOPE CLARIFICATIONS Minimum preservation of White Cliffs exterior and interior finishes Complete replacement of MEP/FP systems Demolition of heavily deteriorated additions Replacement of roof and exterior cladding at remaining additions including abatement "Blank slate" removal of interior finishes at addition to remain No site work beyond utility upgrades and work related to demolition of additions
		\$908,000.00 (\$ 100 / SF)	\$91,200.00 (\$ 40 / SF)							

Market/Feasibility Analysis

APPROACH | For each reuse opportunity...

1. Market Value | Outline potential revenue & operating expenses
 - Ability to finance (debt & equity)
 - Market survey on rents or for sale prices
2. Cost | Establish conceptual budget
 - Hard + soft costs
3. Market Value (#1) versus Cost (#2) as general financial feasibility
 - Potential subsidies
 - Funding gap

Market/Feasibility Analysis

1A

Conceptual Revenue Model; Scale – Event Fees (Only)

Rental event space in existing building

Re-Use Option							WORK	
1A Hospitality/ Event w/in existing house only								
EVENT SPACE WORKSHEET TO DETERMINE # OF EVENTS + REVENUE								
			M-Th	Friday	Saturday	Sunday		
Days per Year	365		209	52	52	52		
Peak	50%		104	26	26	26		
Off-Peak	50%		104	26	26	26		
Event Space							Avg. Rates	Gross Total Revenue
Peak	% Occupied		10%	25%	85%	10%	\$4,000	
Off-Peak	% Occupied		0%	10%	20%	5%	\$1,200	
			10	9	27	4	51	
	Assume 125 Seated		10	7	22	3	42	\$166,857
			0	3	5	1	9	\$10,950
								\$177,807

Event Rental (Room Fee) Gross Income	\$177,807
LESS: Operating Expenses	
Payroll & Staffing: Events Manager	(\$50,000)
Payroll & Staffing: Assistant/Porter	(\$20,000)
Utilities	(\$15,308)
Insurance	(\$4,082)
Landscaping/Snow Removal	(\$10,205)
Wifi/Communications	(\$1,531)
Repairs & Maintenance	(\$7,654)
Administration, incl Accounting	(\$2,551)
Supplies	(\$1,531)
Trash/Recycling	(\$1,021)
Cleaning/Janitorial	(\$5,103)
Reserves for Replacement	(\$3,572)
Real Estate Taxes (if applicable)	\$0
Net Operating Income	\$55,251

Event Use

Key Comparables for conceptual look

More detailed in Report

- Endicott Estate | Dedham, MA
- Lyman Estate | Waltham, MA
- Smith Barn | Peabody, MA
- Asa Waters Mansion | Millbury, MA
- Worcester Art Museum | Worcester, MA
- Mechanics Hall | Worcester, MA
- Chocksett Inn | Sterling, MA
- Tower Hill Botanic Gardens | Boylston, MA
- Tuckerman Hall | Worcester, MA
- Bull Mansion | Worcester, MA
- Grafton Inn | Grafton, MA
- Wayside Inn | Sudbury, MA



Market/Feasibility Analysis

Re-Use Option			
1A	Hospitality/ Event w/in existing house only		

Uses of Funds / Order of Magnitude Scale Budget			
		/SF	10,205 Square Feet (SF)
Land/Building Cost	\$0	\$0	Municipal land cost not included
Demolition	\$454,400	\$45	
Site Improvements	\$750,000	\$73	
Building Costs (Rehab)	\$6,633,250	\$650	
Construction Contingency	\$783,765	\$77	10% of Hard Costs
Soft Costs	\$2,351,295	\$230	30% of Hard Costs not incl. contingency
Order of Magnitude Cost	\$10,972,710	\$1,075	

Sources of Funds / Order of Magnitude			
Commercial Debt (Approx)	\$560,306	5%	able to be supported per assumptions (see: 'Key Assumptions')
Funding Gap	\$10,412,404	95%	additional sources needed to fund improvements
SubTotal	\$10,972,710		
Approximations of Significant Potential Gap Sources			
Federal Historic Tax Credit Equity	\$1,319,353	12%	see: 'Key Assumptions'
MA Historic Tax Credit Equity	\$1,128,780	10%	see: 'Key Assumptions'
Community Preservation Act (Additional)	TBD		
Fundraising	TBD		
Grants, etc.	TBD		

1A

Rental event space in existing building

Market/Feasibility Analysis

Conceptual Revenue Model; Scale – Event Fees (Only)

Re-Use Option							WORK	
1B Hospitality/ Event w/new Ballroom & Kitchen Addition								
EVENT SPACE WORKSHEET TO DETERMINE # OF EVENTS + REVENUE								
			M-Th	Friday	Saturday	Sunday		
Days per Year	365		209	52	52	52		
Peak	50%		104	26	26	26		
Off-Peak	50%		104	26	26	26		
							Avg. Rates	Gross Total Revenue (Annual)
Event Space								
Peak % Occupied		10%	25%	85%	10%		\$5,200	
Off-Peak % Occupied		0%	10%	20%	5%		\$1,850	
			10	9	27	4	51	
Assume 250 Seated			10	7	22	3	42	\$216,914
			0	3	5	1	9	\$16,881
								\$233,796

1B

**Rental event space
in existing building
+ addition**

Event Rental (Room Fee) Gross Income	\$233,796
LESS: Operating Expenses	
Payroll & Staffing: Events Manager	(\$50,000)
Payroll & Staffing: Assistant/Porter	(\$25,000)
Utilities	(\$22,133)
Insurance	(\$5,902)
Landscaping/Snow Removal	(\$11,066)
Wifi/Communications	(\$1,476)
Repairs & Maintenance	(\$8,115)
Administration, incl Accounting	(\$2,951)
Supplies	(\$1,476)
Trash/Recycling	(\$1,033)
Cleaning/Janitorial	(\$6,640)
Reserves for Replacement	(\$5,164)
Real Estate Taxes (if applicable)	\$0
Net Operating Income	\$92,841

Market/Feasibility Analysis

Re-Use Option					
1B Hospitality/ Event w/new Ballroom & Kitchen Addition					
Uses of Funds / Order of Magnitude Scale Budget					
			/SF	14,755	Square Feet (SF)
Land/Building Cost	\$0	\$0			Municipal land cost not included
Demolition	\$454,400	\$31			
Site Improvements	\$1,500,000	\$102			
Building Costs (Rehab)	\$6,633,250	\$450			
Building Costs (New)	\$2,161,250	\$146			
Construction Contingency	\$1,074,890	\$73	10%		of Hard Costs
Soft Costs	\$3,224,670	\$219	30%		of Hard Costs not incl. contingency
Order of Magnitude Cost	\$15,048,460	\$1,020			
Sources of Funds / Order of Magnitude					
Commercial Debt (Approx)	\$941,500	6%	able to be supported per assumptions (see: 'Key Assumptions')		
Gap	\$14,106,960	94%			
SubTotal	\$15,048,460				
Approximations of Significant Potential Gap Sources					
Federal Historic Tax Credit Equity	\$1,319,353	9%	see: 'Key Assumptions'		
MA Historic Tax Credit Equity	\$1,128,780	8%	see: 'Key Assumptions'		
Community Preservation Act (Additional)	TBD				
Fundraising	TBD				
Grants, etc.	TBD				

1B

**Rental event space
in existing building
+ addition**

Market/Feasibility Analysis

2

Municipal Use

Re-Use Option					
2 Municipal					

Uses of Funds / Order of Magnitude Scale Budget					
			/SF	32,205	Square Feet (SF)
Land/Building Cost	\$0	\$0			Municipal land cost not included
Demolition	\$454,400	\$14			
Site Improvements	\$1,500,000	\$47			
Building Costs (Rehab)	\$6,633,250	\$206			
Building Costs (New)	\$12,650,000	\$393			
Construction Contingency	\$2,123,765	\$66		10%	of Hard Costs
Soft Costs	\$6,371,295	\$198		30%	of Hard Costs not incl. contingency
Order of Magnitude Cost	\$29,732,710	\$923			

Sources of Funds / Order of Magnitude					
TBD Public Finance Approach	TBD				
SubTotal	\$29,732,710				
Approximations of Significant Potential Gap Sources					
Federal Historic Tax Credit Equity*	\$1,552,181	5%	see: 'Key Assumptions'		
MA Historic Tax Credit Equity	\$1,327,977	4%	see: 'Key Assumptions'		

Community Preservation Act (Additional)	TBD																						
Fundraising	TBD																						
Grants, etc.	TBD																						
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Market/Feasibility Analysis

Re-Use Option	WORK
3 Residential New Constr = For Sale; Rehab Units in House = Rental	

3

**Apartments (2) + New
Condos/Townhomes
(20)**

Market Value Calculations			
Number of Condo/Townhome Units	20	units	New Construction
Number of Rental Apartments	2	units	Within Existing Structure
Condo/Townhome Units [New Construction]			
Total New Constr SF	22,900	SF	
Number of Buildings	5	bldgs	
Average SF per Unit (New Constr)	1,145	SF	
Gross Sales Price/ Unit Market Value	\$380,000		
Total Market Value (20 Units)	\$7,600,000		

Apartment Units [Existing Structure]			
Monthly Rent per Unit	\$3,200	Approximate p	
LESS: Operating Expenses (%)	(\$1,120)	35%	
Net Operating Income (Annual)	\$24,960		
Cash Flow After Debt Service	\$4,992		
Supportable equity; 8% Current Return	\$62,400	8%	
Capitalization Rate (%)	6.00%	Approximate	
Market Value / Unit	\$416,000		
Total Market Value (2 Apartments)	\$832,000		

Total Market Value ≈ \$8.4M

Market/Feasibility Analysis

Re-Use Option					
3 Residential New Constr = For Sale; Rehab Units in House = Rental					
Uses of Funds / Order of Magnitude Scale Budget					
			/SF	33,205	Square Feet (SF)
Land/Building Cost	\$0	\$0			Municipal land cost not included
Demolition	\$454,400	\$14			
Site Improvements	\$2,000,000	\$60			
Building Costs (Rehab)	\$7,265,750	\$219			
Building Costs (New)	\$4,025,000	\$121			
Construction Contingency	\$1,374,515	\$41		10%	of Hard Costs
Soft Costs	\$4,123,545	\$124		30%	of Hard Costs not incl. contingency
Order of Magnitude Cost	\$19,243,210	\$580			
<i>Cost Per Unit</i>	<i>\$874,691</i>				
Sources of Funds / Order of Magnitude					
Commercial Debt (Approx) For Sale	\$4,458,964	23%	65%	Loan to Cost ratio	36%
Commercial Debt (Approx) Rental	\$253,120	1%		able to be supported per assumptions (see: 'Key Assumptions')	
Equity For Sale	\$2,294,903	12%		Calculated at 15-17% return	
Equity Rental	\$62,400	0%		Calculated at approx. 8% current/annual return	
Funding Gap	\$12,173,823	63%			
SubTotal	\$19,243,210				
Approximations of Significant Potential Gap Sources					
Federal Historic Tax Credit Equity	\$1,445,158	8%		see: 'Key Assumptions'	
MA Historic Tax Credit Equity	\$1,236,413	6%		see: 'Key Assumptions'	
Fundraising	TBD				
Grants, etc.	TBD				

3

**Apartments (2) + New
Condos/Townhomes (20)**

Market/Feasibility Analysis

Re-Use Option							WORK	
4 Minimum Essential Upgrades ('Preservation Lite')								
EVENT SPACE WORKSHEET TO DETERMINE # OF EVENTS + REVENUE								
			M-Th	Friday	Saturday	Sunday		
Days per Year	365		209	52	52	52		
Peak	50%		104	26	26	26		
Off Peak	50%		104	26	26	26		
							Avg. Rates	Gross Total Revenue (Annual)
Event Space								
Peak	% Occupied		0%	0%	0%	0%	\$0	
Off Peak	% Occupied		0%	0%	0%	0%	\$0	
			0	0	0	0	0	\$0
			0	0	0	0	0	\$0
			0	0	0	0	0	\$0
								\$0

Intended to approximate baseline operating expenses for a vacant structure. More precise operating assumptions, such as insurance, general and minimal maintenance, baseline utilities, security, fire protection systems, etc. would need to be further refined based on exact systems and oversight procedures.

4

Preservation Lite

Event Rental (Room Fee) Gross Income	\$0
LESS: Operating Expenses	
Payroll & Staffing: Events Manager	\$0
Payroll & Staffing: Assistant/Porter	\$0
Utilities	(\$15,308)
Insurance	(\$4,082)
Landscaping/Snow Removal	(\$7,654)
Wifi/Communications	(\$1,021)
Repairs & Maintenance	\$0
Administration, incl Accounting	(\$2,041)
Supplies	(\$1,021)
Trash/Recycling	\$0
Cleaning/Janitorial	\$0
Reserves for Replacement	(\$3,572)
Real Estate Taxes (if applicable)	\$0
Net Operating Income	(\$34,697)

Market/Feasibility Analysis

4

Preservation Lite

Re-Use Option

4 Minimum Essential Upgrades ('Preservation Lite')

Uses of Funds / Order of Magnitude Scale Budget			
		/SF	10,205 Square Feet (SF)
Land/Building Cost	\$0	\$0	Municipal land cost not included
Demolition	\$91,200	\$9	
Site Improvements	\$200,000	\$20	
Restoration of White Cliffs	\$3,061,500	\$300	
Renovation of Select Additions	\$908,000	\$89	
Construction Contingency	\$426,070	\$42	10% of Hard Costs
Soft Costs	\$1,278,210	\$125	30% of Hard Costs not incl. contingency
Order of Magnitude Cost	\$5,964,980	\$585	

Sources of Funds / Order of Magnitude			
Commercial Debt (Approx)	N/A		able to be supported per assumptions (see: 'Key Assumption
Gap	\$5,964,980	100%	
SubTotal	\$5,964,980		

Approximations of Significant Potential Gap Sources			
Federal Historic Tax Credit Equity*	\$180,601	3%	
MA Historic Tax Credit Equity*	\$154,514	3%	
Fundraising	TBD		
Grants, etc.	TBD		

Key Notes			
* FHTC could not be leveraged by the municipality; requires taxable entity			
Both MA and Federal Historic Tax Credits are uncertain in this scenario. A more detailed plan that provides clarity on the allowable occupancy of the structure (typically allowed through a Certificate of Occupancy via the building official) would need to be thoughtfully defined, designed and implemented. Under the historic guidelines, the Placed-In-Service step - generally defined as meeting the appropriate level of work that would allow for occupancy of either the entire building or some identifiable portion of the building - would be a key determinate in the ability to use tax credits. A refined architectural and engineering plan, in addition to guidance from an experienced Tax Credit Attorney, is recommended before assuming the use of tax credits.			

CONCLUSIONS

- Building is Now in Relatively Sound Condition
- Most Sources of Active Infiltration Have Been Addressed (excluding additions)
- More Work is Required by Town in Short Term:
 - South Chimney Restoration
 - Removal or Repair of Additions
- 4 Reuse Options Evaluated
- All Have Financial Shortcomings
- Event Space is Most Feasible
- “Preservation Lite” Strategy May Be Needed to De-accession the Building

NEXT STEPS

- Town to Identify Potential Funding and Ownership Strategies
- Town to Seek Operating Partnership(s)
- Town to Issue RFP for Redevelopment and/or Operating Partner
- Determine Funding Sources for “Preservation Lite” Approach

THANK YOU

