

Nichewaug Inn & Academy Property

Petersham, MA

Public Information Meeting #3

Concord Square Planning &
Development, Inc.

Albert, Righter & Tittmann
Architects, Inc.

Bonz & Company

Douglas MacLeay

September 7, 2016



Agenda

- 1. Village Center Environment**
- 2. Market Study / Water & Septic**
- 3. Development Options (total of 6)**
- 4. Cost / Benefit Analysis for the Town**
- 5. Summary of Options / Benefits**
- 6. Recommendations for Town Meeting**

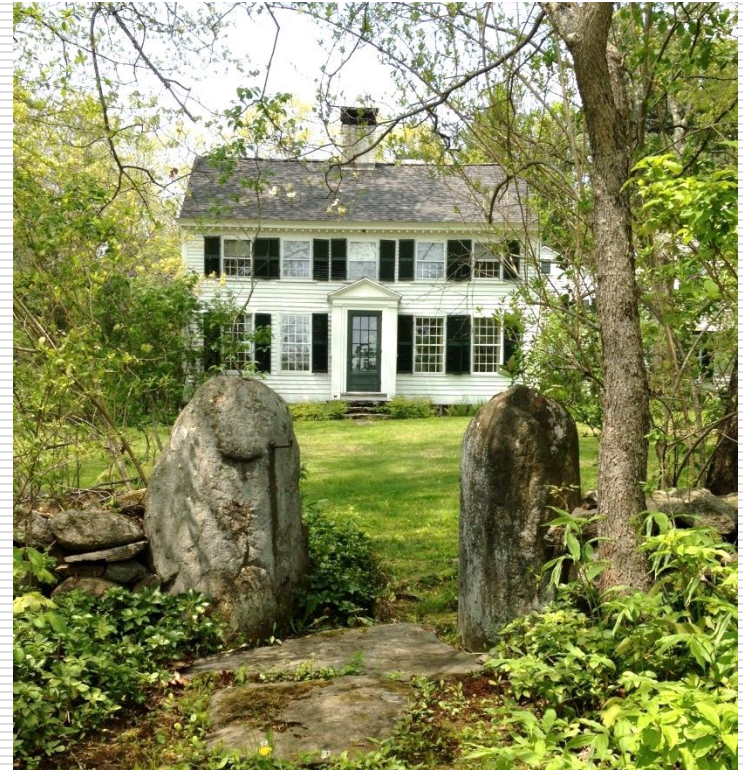
A Quintessential New England Village



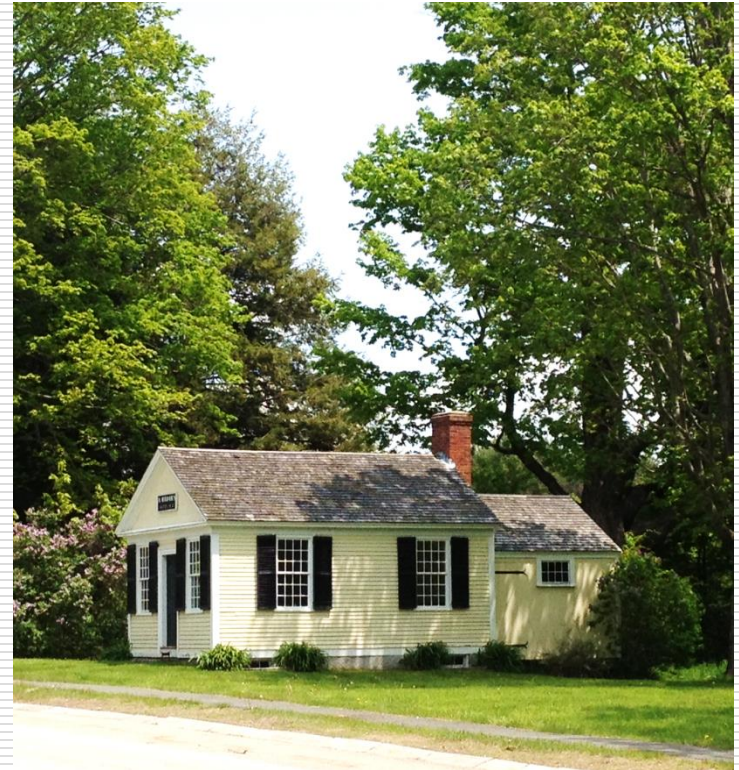
Beautiful Homes



Outstanding Architecture Quality



No Discordant Notes



This map shows a residential area with the following features:

- Streets:** North Main Street, Spring Street, Route 122, and an unnamed street running vertically through the center.
- Property Lots:** Numerous lots are numbered, including 552, 553, 554, 555, 556, 557, 558, 560, 561, 562, 563, 564, 565, 45, 43, 48, 51, 52, 53, 54, 41, 40, 39, 38, 377.1, 377.2, 377, 42, 44, 3, 4, 20, 21, 105, 106, 107, 108, 109, 275, 276, 23, 22, 25, 26, 37, 36, 35, 34, 33, 32, 31, 30, 29, 28, 27, 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1.
- Building Footprints:** Black shapes representing buildings are scattered across the lots, particularly in the central and lower-left areas.
- Topography:** The map uses a light tan color for the land and a darker tan color for the surrounding areas, possibly indicating different land uses or topography.

- Petersham Nichewaug Inn & Academy property

Our Main Goals

- **Gather public input and help build consensus**
- **Find a feasible solution to:**
 - **Eliminate a fire hazard degrading nearby property values**
 - **Alleviate the Town's financial burden**
 - **Create long term stable revenues for the Town**
 - **Possibly - Preserve the historic Nichewaug Inn**

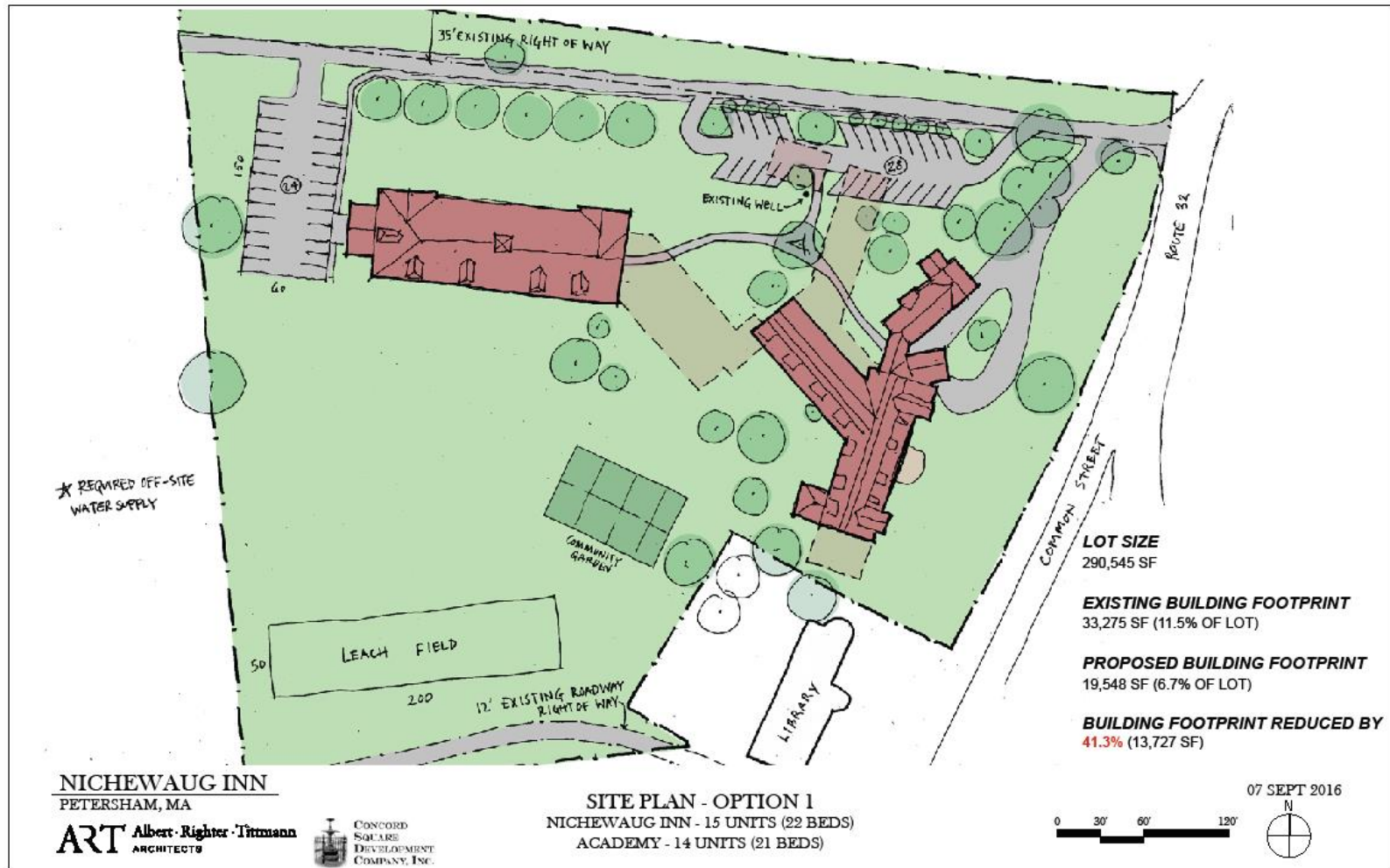
Four Primary Options

Option 1 <ul style="list-style-type: none">• Partial Demolition• 29 new units• Reduce building footprint by 29.7%	Option 2 <ul style="list-style-type: none">• Partial Demolition• 15 new units• Reduce building footprint by 61.3%
Option 3 <ul style="list-style-type: none">• Partial Demolition• 9 new units + 3 new houses• Reduce building footprint by 57.1%	Option 4 <ul style="list-style-type: none">• Total Demolition• 4 new houses• Reduce building footprint by 81.5%

Two additional options analyzed

- ❑ **Option 5 - Complete Demolition with new construction of 15 Townhouses**
- ❑ **Option 6 – Retain Inn and redevelop as rental using Tax Credits and Mass Development Workforce Housing Loans;**

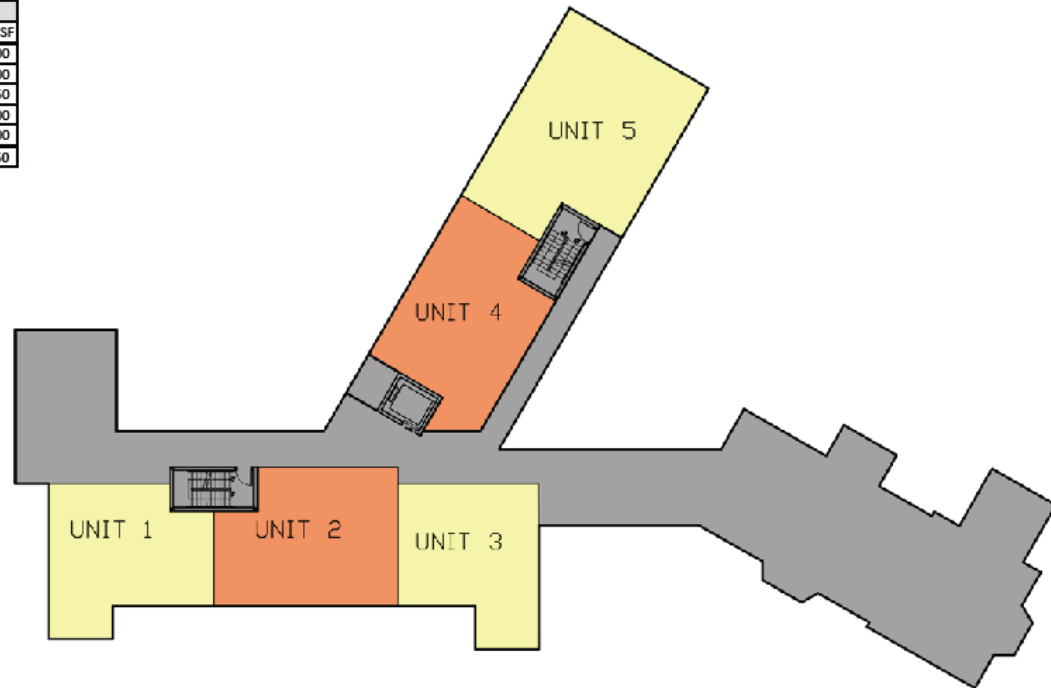
Potential Option 1: Partial Demo, 29 units



Potential Option 1: Inn Renovation 1st Floor

Nichewaug Inn	GSF	NSF	Eff	1 Bed	2 Bed	Total
Floor 1	9,228	4,550	49%	4	1	5
Floor 2	6,997	5,700	81%	2	3	5
Floor 3	6,997	5,700	81%	2	3	5
Total	23,222	15,950	69%	8	7	15
Total Bedrooms				8	14	22

Nichewaug Inn - Floor 1			
Unit	Type		Net SF
1	1 Bed		800
2	1 Bed		900
3	1 Bed		750
4	1 Bed		900
5	2 Bed		1,200
Total			4,550



NICHEWAUG INN
PETERSHAM, MA

ART Albert · Richter · Tittmann
ARCHITECTS



CONCORD
SQUARE
DEVELOPMENT
COMPANY, INC.

INN - FIRST FLOOR PLAN

07 SEPT 2016

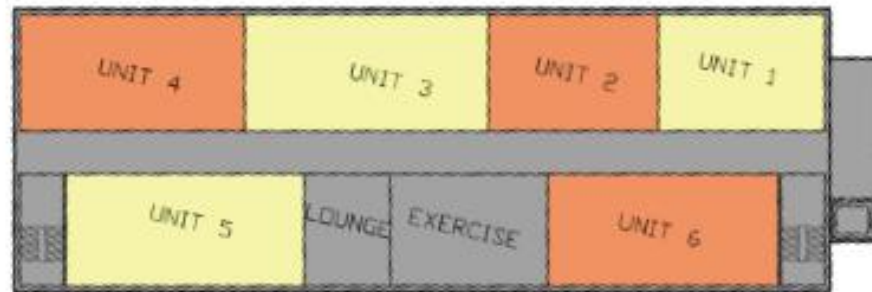
0 10' 20' 40'



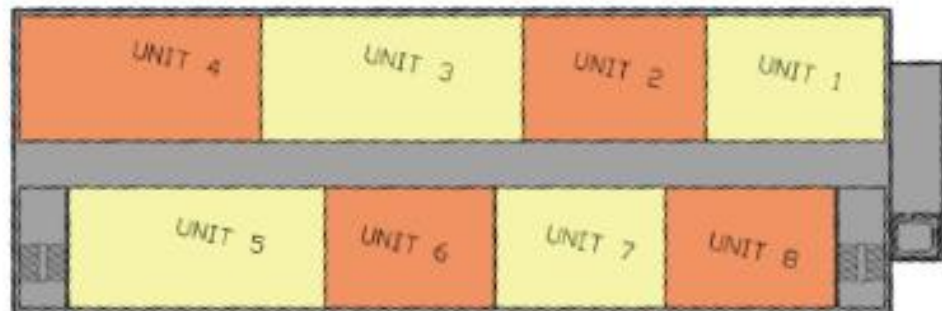
Potential Option 1: Partial Demo

Academy Building- 14 units, 20 bedrooms

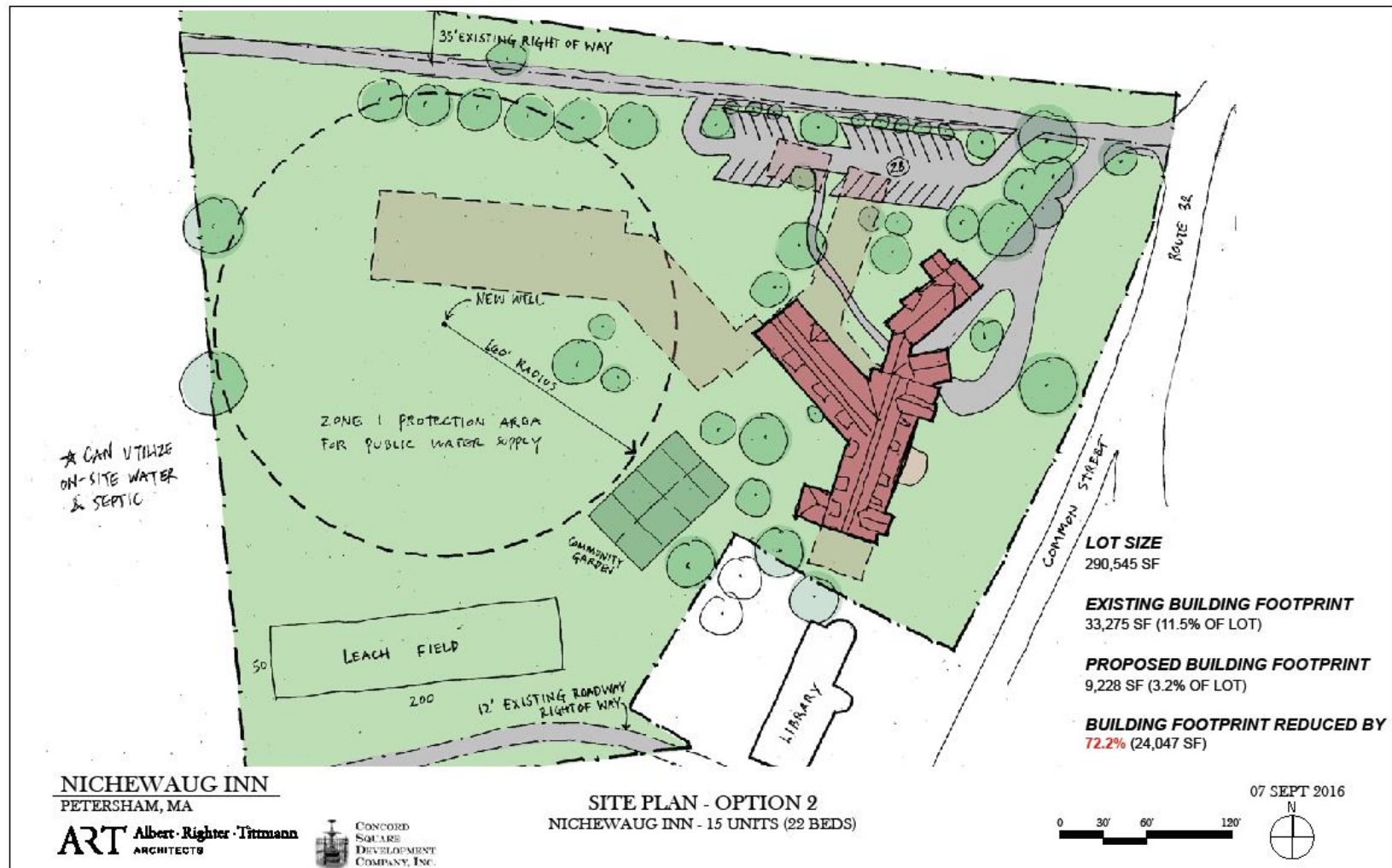
1st Floor



2nd Floor



Potential Option 2: Partial Demo, 15 units



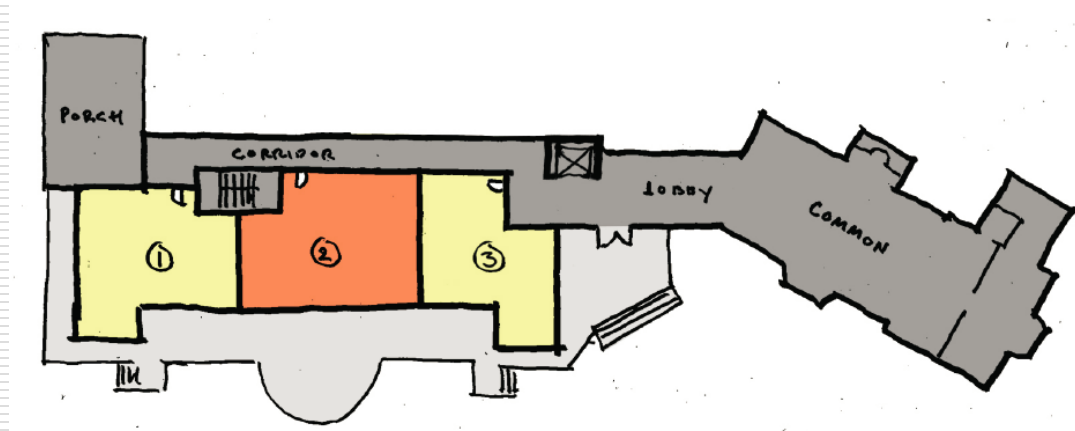
Potential Option 3: Partial Demo, 9 units + 3 houses



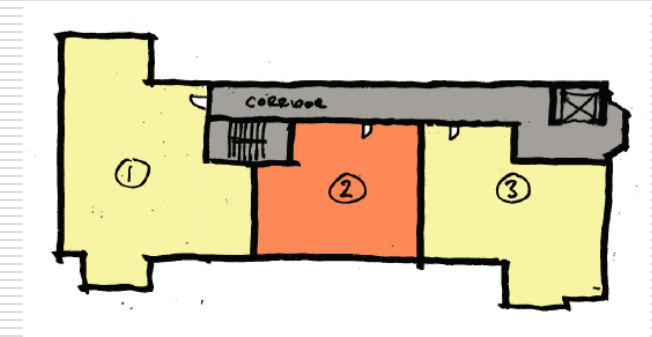
Potential Option 3: Partial Demo, 9 units + 3 houses

Partial Inn Building- 9 units, 12 bedrooms

1st Floor



2nd, 3rd Floors



NICHEWAUG INN
PETERSHAM, MA

ART Albert R. Richter-Tittmann
ARCHITECTS

CONCORD SQUARE
DEVELOPMENT
COMPANY, INC.

SITE PLAN - OPTION 4
SINGLE FAMILY HOMES - 4 (12 BEDS)

07 SEPT 2016

LOT SIZE
290,545 SF

EXISTING BUILDING FOOTPRINT
33,275 SF (11.5% OF LOT)

PROPOSED BUILDING FOOTPRINT
6,144 SF (2.1% OF LOT)

BUILDING FOOTPRINT REDUCED BY
81.6% (27,131 SF)

50,000 SF LOT

25,000 SF LOT

25,000 SF LOT

EXISTING WELL

COMMUNITY GARDEN

LEACH FIELD

LIBRARY

WALKWAY TO COMMUNITY GARDEN

55' EXISTING RIGHT OF WAY

12' EXISTING ROADWAY RIGHT OF WAY

ROUTE 32

COMMON STREET

0 30 60 120

N

Market Study

- **Prepared by Bonz & Company**
- **Examined single family and condominium sales since 2000 in:**
 - **Petersham**
 - **Hardwick**
 - **Hubbardston**
 - **New Salem**
 - **Phillipston**
- **Focused on 49 sales in last 12 months for relatively new or substantially renovated units**

Market Study - Findings

Summary of 12 Month Comparable Sales

	Sales Price	Square Feet	Price / s.f.
Minimum	\$229,000	1,196	\$191.47
Maximum	\$500,000	3,694	\$135.35
Median	\$274,950	2,126	\$129.33
Average	\$303,446	2,164	\$140.22

N = 49

Market Study - Conclusions

Exhibit 4 - Estimated Sales Price of Proposed Units

Unit Type	Size	Price / SF Range		Potential Sales Price	
1 BR Condo	700	\$165	\$175	\$115,500	\$122,500
1 BR Condo	900	\$165	\$175	\$148,500	\$157,500
2 BR Condo	1,000	\$165	\$175	\$165,000	\$175,000
2 BR Condo	1,400	\$165	\$175	\$231,000	\$245,000
2 BR SFH	1,600	\$165	\$175	\$264,000	\$280,000
3 BR SFH	2,000	\$165	\$175	\$330,000	\$350,000

Market Study – New Single Family

- **Hubbardston**
 - **Pinecrest Subdivision**
 - **On the market:**
 - **Four to-be built at 1,300 to 1,560 s.f. each**
 - **\$210,000 to \$ 260,000**
 - **\$145 to \$182 per s.f.**
- **New Salem**
 - **On the Market**
 - **One 3 bedroom single family:**
 - **1,200 s.f. at \$200,000 or \$167 per s.f.**

Market Study – Other Sources of Demand

- **Eagle Hill School**
 - 10 miles away
 - 220 students – mostly boarding
 - 80 faculty plus 40 staff
 - Parents – relocating to be nearby
- **Insight Meditation Center**
 - International Reputation and Clientele
- **Quabbin Retreat**
 - Treatment Center of Heywood Hospital
 - 80 Staff members – many professional

Assessments of Other Proposed Uses

- **Housing**
 - **Rental housing**
 - **Seasonal and vacation housing**
 - **Other types of ownership**
- **Commercial/Office**
 - **Town administrative office**
 - **Private commercial uses (Small Inn, restaurant, business support, etc.)**
- **Other types of ownership**
 - **Town senior center, open space, cemetery, etc.**

Water

- **Extensive Discussions with Mass DEP**
 - **12 bedrooms or less – private water supply, local control**
 - **Over 12 bedrooms requires a Public Water Supply**
 - **With a Zone 1 Protection Area**
- **Two wells (private) on site appear feasible (24 BRs)**
- **Max. bedrooms to be served on site with PWS - ± 26**
- **Off-site Water Supply may be feasible**
 - **Necessary for Options 1 & 5**
 - **Require agreements with abutters**

Septic

- **10,000 s.f. leaching area appears sufficient for all development options**
- **Ideal location appears to be at the southwest corner of the site, but could vary depending on site plan.**
- **Use common septic for any Development Options**
- **Include Library needs in design capacity**
- **Explore innovative systems (such as Ad-Vantax)**

Development Feasibility

- **Financing Requires that developments must be profitable**
- **Sources of Funds must exceed the Uses of funds;**
- **For-Sale projects – require 18% to 20% margins**
- **Historic Sale prices in Petersham are low compared to probable costs.**

Construction Cost Estimates

Option		Total Units	Total BRs	Total Const. \$ Incl. Conting.	Gross s.f.	Cost per Gross s.f.	Saleable s.f.	Cost per Salable s.f
1	Academy Building	14	21	2,542,265	20,060	\$126.73	13,470	\$188.74
2	Nichewaug Inn	15	22	3,671,668	23,488	\$156.32	15,380	\$238.73
3	Nichewaug Inn	9	12	2,332,300	14,680	\$158.87	9,290	\$251.05
	3 Single Family	3	9	238,298	1,900	\$125.42	1,500	\$158.87
4	4 Single Family	4	12	238,298	1,900	\$125.42	1,500	\$158.87
5	15 Townhouses	15	45	177,811	1,400	\$127.01	1,200	\$148.18
6	Nichewaug as Rental	15	22	3,361,670	23,488	\$143.12	15,380	\$218.57

Feasibility – Option 1

Unit Size and Number

	Inn	Academy
1 BR Size	846	796
2 BR Size	1,230	1,129
# 1 BR Units	8	7
# 2 BR Units	7	7
Total Units	15	14

Requires off-site water supply

Feasibility – Option 1

Nichewaug Inn + Academy Building

Sources of Funds		Analysis A	Analysis B	
	Bonz +			Bonz +
Nichewaug Sales	10.0%	2,960,650	5,652,150	110.0%
Academy Sales	10.0%	2,592,975	3,960,180	68.0%
Cost of Sales @	6.0%	(333,218)	(576,740)	
Total Sources		5,220,408	9,035,590	
Uses of Funds				
Acquisition		\$1.00	\$1.00	
Water & Septic		138,000	138,000	
Soft Costs		1,129,806	1,129,806	
Academy Const.	\$113	2,311,150	2,311,150	
Nichewaug Const.	\$142	3,337,880	3,337,880	
Const. Conting.	10.0%	564,903	564,903	
Misc.		50,000	50,000	
		7,531,740	7,531,740	
Total Sources		5,220,408	9,035,590	
Total Uses		(7,531,740)	(7,531,740)	
Developer Profit		(2,311,333)	1,503,850	
Profit as % of Costs		-30.7%	20.0%	

Feasibility – Option 1

Unit Pricing

Sale Prices	Inn	Academy Building
Bonz plus	10.0%	10.0%
One BR Units	\$162,903	\$153,175
Two BR Units	\$236,775	\$217,250
Price per s.f.	\$193	\$193
Bonz plus	110.0%	68.0%
One BR Units	310,997	233,940
Two BR Units	452,025	331,800
Price per s.f.	\$368	\$294

Option 1 Cost Benefit Assumptions

Total Sales value		9,612,330
Assessed Value percent		90.0%
Assessed Value		<u>8,651,097</u>
Tax Rate		\$16.42
Annual Property taxes		142,051
Annual Inflation		3.1%
Total Cost		715,211
Cont. & Mgmt	10.0%	71,521
Issuance Cost	8.0%	<u>57,217</u>
Amount of Debt		843,949
Debt Service @	6.7216%	56,727

Option 1 Cost - Benefit

Years	Annual Debt Service	Annual Revenues	Net Rev. per year	Cumulative Revenues
1	56,727	142,051	85,324	85,324
2	56,727	146,455	89,728	175,052
3	56,727	150,995	94,268	269,320
4	56,727	155,676	98,949	368,269
5	56,727	160,501	103,775	472,044
6	56,727	165,477	108,750	580,795
7	56,727	170,607	113,880	694,675
8	56,727	175,896	119,169	813,844
9	56,727	181,348	124,622	938,466
10	56,727	186,970	130,244	1,068,709
11	56,727	192,766	136,040	1,204,749
12	56,727	198,742	142,015	1,346,764
13	56,727	204,903	148,176	1,494,941
14	56,727	211,255	154,528	1,649,469
15	56,727	217,804	161,077	1,810,546
16	56,727	224,556	167,829	1,978,376
17	56,727	231,517	174,790	2,153,166
18	56,727	238,694	181,967	2,335,133
19	56,727	246,094	189,367	2,524,500
20	56,727	253,722	196,996	2,721,496
	1,134,532	3,856,028	2,721,496	

Feasibility – Option 2

Nichewaug Inn – 15 Units

	Sale Prices	# Units
Bonz plus	10.0%	
One BR Units	\$162,903	8
Two BR Units	\$236,775	7
Price per s.f.	\$193	<hr/> 15

		Size of Units
Bonz plus	110.0%	
One BR Units	310,997	846
Two BR Units	452,025	1,230
Price per s.f.	\$368	

Feasibility – Option 2

Source & Uses of Funds

Sources of Funds		Analysis A	Analysis B
	Bonz +	10.0%	110.0%
Nichewaug Sales		2,960,650	5,652,150
Cost of Sales @	6.0%	(177,639)	(339,129)
Total Sources		2,783,011	5,313,021
Uses of Funds			
Acquisition		1	1
Water & Septic		69,000	69,000
Soft Costs		667,576	667,576
Nichewaug Const.	\$142	3,337,880	3,337,880
Const. Conting.	10.0%	333,788	333,788
Misc.		25,000	25,000
		4,433,245	4,433,245
Total Sources		2,783,011	5,313,021
Total Uses		(4,433,245)	(4,433,245)
Developer Profit		(1,650,234)	879,776
Profit as % of Costs		-37.2%	19.8%

Option 2 Cost - Benefit Assumptions

Total Sales value		5,652,150
Assessed Value percent		90.0%
Assessed Value		<u>5,086,935</u>
Tax Rate		\$16.42
Annual Property taxes		83,527
Annual Inflation		3.1%
Cost of Env. & Demo		885,201
Cont. & Mgmt	10.0%	88,520
Issuance Cost	8.0%	<u>70,816</u>
Amount of Debt		1,044,537
Debt Service @	6.7216%	70,209

Option 2 Cost - Benefit

Years	Annual Debt Service	Annual Revenues	Net Rev. per year	Cumulative Revenues
1	70,209	83,527	13,318	13,318
2	70,209	86,117	15,908	29,226
3	70,209	88,786	18,577	47,803
4	70,209	91,539	21,330	69,132
5	70,209	94,377	24,167	93,300
6	70,209	97,302	27,093	120,393
7	70,209	100,319	30,109	150,502
8	70,209	103,428	33,219	183,721
9	70,209	106,635	36,425	220,147
10	70,209	109,940	39,731	259,878
11	70,209	113,349	43,139	303,017
12	70,209	116,862	46,653	349,670
13	70,209	120,485	50,276	399,946
14	70,209	124,220	54,011	453,957
15	70,209	128,071	57,862	511,818
16	70,209	132,041	61,832	573,650
17	70,209	136,134	65,925	639,575
18	70,209	140,355	70,145	709,721
19	70,209	144,706	74,496	784,217
20	70,209	149,191	78,982	863,199
	1,404,186	2,267,385	863,199	

Feasibility – Option 3

Nichewaug – 9 units

	Sale Prices	# Units	# BRs
Bonz plus	10.0%		
One BR Units	\$171,004	6	6
Two BR Units	\$254,100	3	6
Price per s.f.	\$193	9	12

		Size of Units
Bonz plus	120.0%	
One BR Units	342,008	888
Two BR Units	508,200	1,320
Price per s.f.	\$385	

Private water supply - 12 Bedrooms

Feasibility – Option 3

Nichewaug – 9 Units

Sources of Funds		Analysis A	Analysis B
	Bonz +	10.0%	120.0%
Nichewaug Sales		1,788,325	3,576,650
Cost of Sales @	6.0%	(107,300)	(214,599)
Total Sources		1,681,026	3,362,051
Uses of Funds			
Acquisition		1	1
Water & Septic		41,500	41,500
Soft Costs		424,055	424,055
Nichewaug Const.	\$144	2,120,273	2,120,273
Const. Conting.	10.0%	212,027	212,027
Misc.		25,000	25,000
		2,822,855	2,822,855
Total Sources		1,681,026	3,362,051
Total Uses		(2,822,855)	(2,822,855)
Developer Profit		(1,141,830)	539,196
Profit as % of Costs		-40.4%	19.1%

Feasibility – Option 4

Single Family Homes

Sources of Funds	Bonz +	Analysis A 10.0%	Analysis B 17.0%
Sale Proceeds		365,750	389,025
Less Cost of Sales @		(21,945)	(23,342)
Total Sources		343,805	365,684
Uses of Funds			
Acquisition from the Town		1	1
Water & Septic		14,125	14,125
Soft Costs		29,795	29,795
Const. Cost		238,298	238,298
Misc.		25,000	25,000
Total Uses		307,219	307,219
Total Sources		343,805	365,684
Total Uses		(307,219)	(307,219)
Developer Profit		36,586	58,464
Profit as % of Costs		11.9%	19.0%

Feasibility – Option 4

Single Family Homes

	Size	Constr. Cost	\$ / s.f.
Home	1,500	218,498	\$145.67
Garage	400	19,800	\$49.50
Total	1,900	238,298	
			\$125.42
Sales Price		365,750	\$243.83

Cost Benefit – Option 3

Nichewaug – 9 Units + 3 S.F. homes

Sales value - Inn		3,576,650
Sales value - homes		1,167,075
Total Sales		<u>4,743,725</u>
Assessed Value percent		90.0%
Assessed Value		<u>4,269,353</u>
Tax Rate		\$16.42
Annual Property taxes		70,103
Annual Inflation		3.1%
Total Cost		958,110
Cont. & Mgmt	10.0%	95,811
Issuance Cost	8.0%	<u>76,649</u>
Amount of Debt		1,130,570
Debt Service @	6.7216%	75,992

Nichewaug – 9 Units + 3 S.F. Homes

Years	Annual Debt Service	Annual Revenues	Net Rev. per year	Cumulative Revenues
1	75,992	70,103	(5,889)	(5,889)
2	75,992	72,276	(3,716)	(9,605)
3	75,992	74,517	(1,476)	(11,081)
4	75,992	76,827	834	(10,247)
5	75,992	79,208	3,216	(7,030)
6	75,992	81,664	5,672	(1,359)
7	75,992	84,195	8,203	6,844
8	75,992	86,805	10,813	17,657
9	75,992	89,496	13,504	31,161
10	75,992	92,271	16,278	47,440
11	75,992	95,131	19,139	66,579
12	75,992	98,080	22,088	88,667
13	75,992	101,120	25,128	113,795
14	75,992	104,255	28,263	142,058
15	75,992	107,487	31,495	173,553
16	75,992	110,819	34,827	208,381
17	75,992	114,255	38,263	246,643
18	75,992	117,797	41,804	288,448
19	75,992	121,448	45,456	333,904
20	75,992	125,213	49,221	383,125
	<u>1,519,841</u>	<u>1,902,966</u>	<u>383,125</u>	

4 Single Family Homes

Cost Benefit Assumptions

Sales value - homes		389,025	per home
Total Sales		1,556,100	
Assessed Value percent		90.0%	
Assessed Value		1,400,490	
Tax Rate		\$16.42	
Annual Property taxes		22,996	
Annual Inflation		3.1%	
Total Cost		971,629	
Cont. & Mgmt	10.0%	97,163	
Issuance Cost	8.0%	77,730	
Amount of Debt		1,146,522	
Debt Service @	6.7216%	77,064	

4 Single Family Homes

Years	Annual Debt Service	Annual Revenues	Net Rev. per year	Cumulative Revenues
1	77,064	22,996	(54,068)	(54,068)
2	77,064	23,709	(53,355)	(107,424)
3	77,064	24,444	(52,620)	(160,044)
4	77,064	25,202	(51,863)	(211,907)
5	77,064	25,983	(51,081)	(262,988)
6	77,064	26,788	(50,276)	(313,264)
7	77,064	27,619	(49,445)	(362,709)
8	77,064	28,475	(48,589)	(411,299)
9	77,064	29,358	(47,707)	(459,005)
10	77,064	30,268	(46,796)	(505,802)
11	77,064	31,206	(45,858)	(551,660)
12	77,064	32,174	(44,891)	(596,551)
13	77,064	33,171	(43,893)	(640,444)
14	77,064	34,199	(42,865)	(683,309)
15	77,064	35,259	(41,805)	(725,114)
16	77,064	36,352	(40,712)	(765,826)
17	77,064	37,479	(39,585)	(805,411)
18	77,064	38,641	(38,423)	(843,834)
19	77,064	39,839	(37,225)	(881,059)
20	77,064	41,074	(35,990)	(917,050)
	1,541,286	624,236	(917,050)	

Feasibility – Option 5

Townhouses

Sources of Funds	Analysis A	Analysis B
Bonz +	10.0%	18.0%
Sale Proceeds	269,500	289,100
Less Cost of Sales @	(16,170)	(17,346)
Total Sources	253,330	271,754
Uses of Funds		
Acquisition from the Town	1	1
Water & Septic	9,867	9,867
Soft Costs	22,897	22,897
Const. Cost	177,811	177,811
Misc.	19,000	19,000
Total Uses	229,576	229,576
 Total Sources	 253,330	 271,754
Total Uses	(229,576)	(229,576)
Developer Profit	23,754	42,178
Profit as % of Costs	10.3%	18.4%

Feasibility – Option 5

Townhouses

	Size	Constr. Cost	\$ / s.f.
Home	1,200	167,911	\$139.93
Garage	200	9,900	\$49.50
Total	1,400	177,811	\$127.01
Sales Price		269,500	\$224.58

15 Townhouses

Cost Benefit Assumptions

Sales value - homes		289,100	per townhouse
Total Sales		4,336,500	
Assessed Value percent		90.0%	
Assessed Value		3,902,850	
Tax Rate		\$16.42	
Annual Property taxes		64,085	
Annual Inflation		3.1%	
Total Cost		971,629	
Cont. & Mgmt	10.0%	97,163	
Issuance Cost	8.0%	77,730	
Amount of Debt		<u>1,146,522</u>	
Debt Service @	6.7216%	77,064	

Option 5 - Townhouses

Years	Annual Debt Service	Annual Revenues	Net Rev. per year	Cumulative Revenues
1	77,064	64,085	(12,980)	(12,980)
2	77,064	66,071	(10,993)	(23,972)
3	77,064	68,120	(8,945)	(32,917)
4	77,064	70,231	(6,833)	(39,750)
5	77,064	72,409	(4,656)	(44,406)
6	77,064	74,653	(2,411)	(46,817)
7	77,064	76,967	(97)	(46,914)
8	77,064	79,353	2,289	(44,625)
9	77,064	81,813	4,749	(39,876)
10	77,064	84,350	7,285	(32,590)
11	77,064	86,964	9,900	(22,690)
12	77,064	89,660	12,596	(10,094)
13	77,064	92,440	15,375	5,281
14	77,064	95,305	18,241	23,523
15	77,064	98,260	21,196	44,718
16	77,064	101,306	24,242	68,960
17	77,064	104,446	27,382	96,342
18	77,064	107,684	30,620	126,962
19	77,064	111,022	33,958	160,920
20	77,064	114,464	37,400	198,320
	1,541,286	1,739,606	198,320	

Nichewaug Inn – Option 6

(Option 2 as Rentals – 9 Units)

Rent Summary

	Type	No. Units	Avg s.f. Leasable per unit	Rent per unit	Rent per s.f.
Inn	1 BR	8	846	\$1,185	\$1.40
Inn	2 BR	7	1,230	\$1,661	\$1.35

Feasibility – Option 6

Rental Operations

Sources of Funds

Conventional Debt	1,451,000
Federal Historic Credit	809,000
State Historic Credit	724,000
Mass Housing Program	1,100,000
Developer Equity	250,000
Deferred Developer Fee	407,000
Total	<hr/> 4,741,000

Feasibility – Option 6

Rental Operations

Uses of Funds

		Rehab Costs
Acquisition	1	0
Soft Costs	706,000	529,000
Construction Costs	3,112,657	2,888,657
Const. Contingency	249,013	231,093
Development Fee	657,000	609,719
Miscellaneous	16,329	0
Total	4,741,000	4,258,469

Feasibility – Option 6

Rental Operations

FEASIBILITY ISSUES WITH THIS OPTION / APPROACH

1. The Mass Housing Program is new, and the funding may not be available / feasible;
2. The Federal & State Historic Tax Credits are likely to require retaining much of the internal layout and organization of the Nichewaug Inn, compromising marketability;
3. It can take two to four years to obtain the full allocation of State Historic Tax Credits.

Nichewaug – Option 6

Cost Benefit Assumptions

Annual Property taxes		21,102
Annual Inflation		3.1%
Total Cost		715,211
Cont. & Mgmt	10.0%	71,521
Issuance Cost	8.0%	57,217
Amount of Debt		<u>843,949</u>
Debt Service @	6.7216%	56,727

Inn Rental: Option 6 – Cost Benefit

Years	Annual Debt Service	Annual Revenues	Net Rev. per year	Cumulative Revenues
1	56,727	21,102	(35,625)	(35,625)
2	56,727	21,756	(34,971)	(70,596)
3	56,727	22,430	(34,297)	(104,893)
4	56,727	23,125	(33,601)	(138,494)
5	56,727	23,842	(32,884)	(171,378)
6	56,727	24,581	(32,145)	(203,523)
7	56,727	25,343	(31,383)	(234,906)
8	56,727	26,129	(30,598)	(265,504)
9	56,727	26,939	(29,788)	(295,292)
10	56,727	27,774	(28,952)	(324,244)
11	56,727	28,635	(28,091)	(352,335)
12	56,727	29,523	(27,204)	(379,539)
13	56,727	30,438	(26,289)	(405,828)
14	56,727	31,382	(25,345)	(431,173)
15	56,727	32,354	(24,372)	(455,545)
16	56,727	33,357	(23,369)	(478,914)
17	56,727	34,392	(22,335)	(501,249)
18	56,727	35,458	(21,269)	(522,518)
19	56,727	36,557	(20,170)	(542,687)
20	56,727	37,690	(19,036)	(561,724)
	1,134,532	572,808	(561,724)	

Construction Cost Estimates

Option		Total Units	Total BRs	Total Const. \$ Incl. Conting.	Gross s.f.	Cost per Gross s.f.	Saleable s.f.	Cost per Salable s.f
1	Academy Building	14	21	2,542,265	20,060	\$126.73	13,470	\$188.74
2	Nichewaug Inn	15	22	3,671,668	23,488	\$156.32	15,380	\$238.73
3	Nichewaug Inn	9	12	2,332,300	14,680	\$158.87	9,290	\$251.05
	3 Single Family	3	9	238,298	1,900	\$125.42	1,500	\$158.87
4	4 Single Family	4	12	238,298	1,900	\$125.42	1,500	\$158.87
5	15 Townhouses	15	45	177,811	1,400	\$127.01	1,200	\$148.18
6	Nichewaug as Rental	15	22	3,361,670	23,488	\$143.12	15,380	\$218.57

Summary

Option		Total Units	Total BRs	Profit Loss Bonz + 10%	Percent Profit	% Added to Bonz for feasibility	Well PWS	Net Benefit to Town
1	Nichewaug + Academy	29	43	(2,311,333)	-30.7%	110.0% 68.0%	PWS Off Site	2,721,496
2	Nichewaug Inn	15	22	(1,650,234)	-37.2%	110.0%	PWS On Site	863,199
3	Nichewaug Inn	9	12	(2,822,855)	-40.4%	120.0%	Existing Private }	383,125
	3 Single Family	3	9	109,757	11.9%	17.0%		
4	4 Single Family	4	12	146,343	11.9%	17.0%	Existing	(917,050)
5	15 Townhouses	15	45	356,313	10.3%	18.0%	PWS Off Site	198,320
6	Nichewaug as Rental	15	22	N/A			PWS On Site	(561,724)

Recommendations

- **Hold a Town Meeting to fund environmental clean-up and demolition of the connector building;**
 - **Commit to subsequent demolition:**
 - A) to support an approved development proposal; or
 - B) to demolish all remaining buildings on the site
 - C) Make site available to developers for \$1.00
- **Authorize a Request for Development Proposals**
 - For sections of the remaining buildings
 - For new construction
- **Appoint a Nichewaug Property Committee**
 - To issue the RFP
 - To evaluate proposals and make recommendations to the Selectboard for consideration by Annual Town Meeting in June, 2017

Q & A

