

PARK CENTER

THE 2018 ONCE BITTEN, TWICE SHY TOUR...

LAST SLIDE PRESENTED TO THE COUNCIL ON 6/12/2017

Should Barre Choose To Move Forward

Identify And Seat A "Development Team"

Up To 10 Members With Contributing Skills
Assess Existing Options
Negotiate Remaining Options
Establish Time-Line For Development

Focus The Scope Of The Project

The Scope Drives The Required Parcels
Refine Site Plans
Identify Funding Sources

Present The Project To The Public

Series of Public Hearings Likely A TIF Vote

DOWNTOWN DEVELOPMENT 2011-20172 UNITS OF MARKET RATE HOUSING...



THE KEITH TO PEARL BLOCK

Some bright spots.....

- Summer Street Center (Downstreet Housing and Community Development)
 - TIF appropriation for the Pearl Street Gateway
 - Expanded municipal parking (roughly 70 spots)



A 10-15 minute walking radius to amenities is CRITICAL...



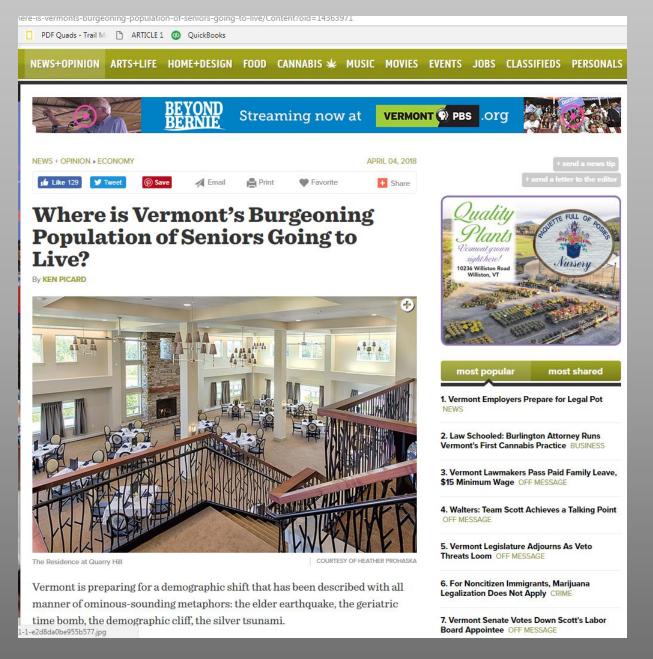
WHAT WE LEARNED / WHAT HAPPENED SINCE JUNE, 2017....

- SOME PEOPLE CAN'T SEPARATE THE PRODUCT FROM THE MANUFACTURER.
- MOST WERE AND REMAIN SUPPORTIVE OF THE PROJECT AND THE VISION / EFFORT BEHIND IT.
- SOME IDENTIFIED AREAS FOR REDEVELOPMENT ARE LIKELY NOT FOR SALE.
- SOME PREVIOUSLY UNIDENTIFIED PROPERTY OWNERS ARE INTERESTED IN A SALE.
- A PLANNED HOTEL PROJECT IN MONTPELIER WILL TIGHTEN THE ACCOMODATIONS MARKET, BUT WILL NOT ADD CONFERENCE SPACE.
- WITH INCREASED USE AT THE CIVIC CENTER AND ADDITIONAL CONFERENCE SPACE, THE MARKET WOULD LIKELY SUPPORT A 60 ROOM BRANDED HOTEL.
- THE DEMAND FOR QUALITY, MARKET RATE HOUSING HAS ONLY GOTTEN STRONGER.
- WE SIGNIFICANTLY <u>UNDERESTIMATED</u> THE IMPORTANCE OF THE 60 YR PLUS MARKET AND HOW THAT DEMOGRAPHIC IS DRIVING CURRENT HOUSING TRENDS.

IN SUMMARY....

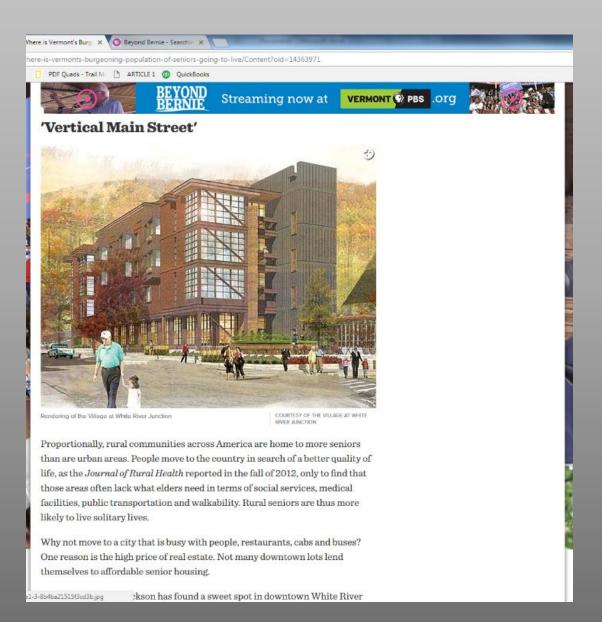
- A CENTRAL VERMONT CORE CENTER (BARRE / MONTPELIER / BERLIN) WOULD SUPPORT THIS CONCEPT.
- NO SURPRISES WITH DOWNTOWN / URBAN CENTER CONSUMER TRENDS....THE CONSUMER BEHAVIOR PATTERNS REMAIN PREDICIBLE AND SUPPORTIVE OF THE PROECT.
- WHILE NOT A CRITICAL COMPONENT OF THE PROJECT, CONFERENCE SPACE AND A 60 ROOM HOTEL WOULD LIKELY BE SUPPORTED BY THE MARKET AND MOST IMPORTANTLY, WOULD SUPPORT AREA BUSINESSES AND TOURISM GROWTH.
- A FULL SERVICE GROCERY STORE, RUN BY AN ORGANIZATION OR INDIVIDUAL WITH A TRACK RECORD OF SUCCESS, REMAINS A NEED AND CRITICAL COMPONENT OF THE PROJECT.
- ADAQUATE SURFACE AND STRUCTURED PARKING IS EQUALLY IMPORTANT.
- THE CONSUMER SHIFT TOWARDS MORE COMPACT, AMENITY RICH HOUSING OPTIONS WITHIN A MORE DENSE POPULATION CENTER WILL EXTEND INTO THE PREDICTIBLE FUTURE.
- IN PLANNING FOR THE OCCUPANTS, THE SENIOR (60 +) DEMOGRAPHIC IS A CRITICAL CONSIDERATION.

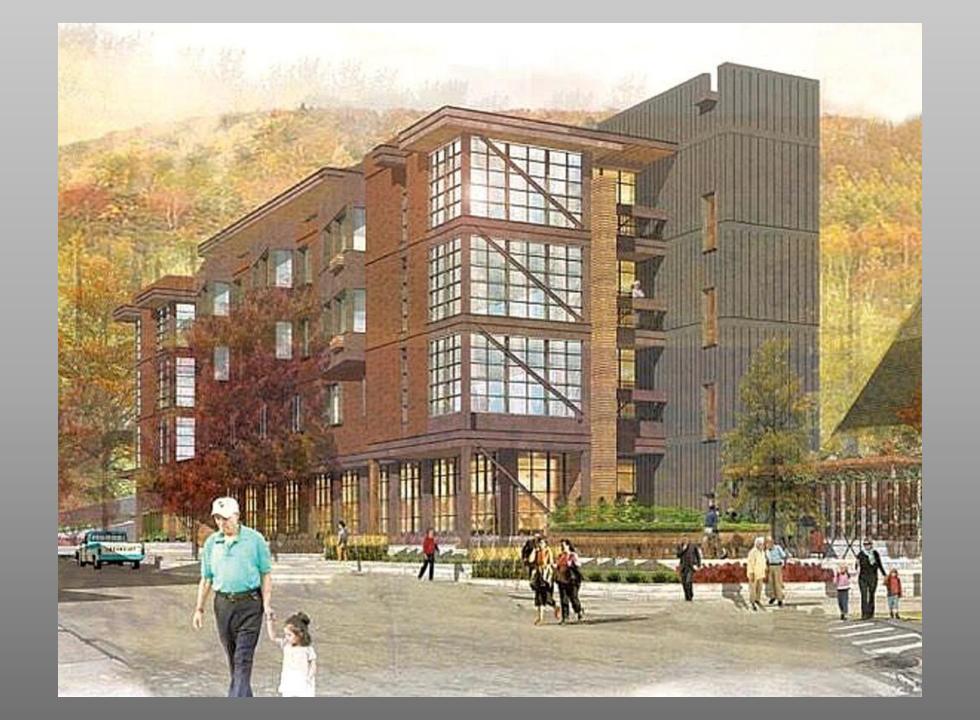
VERMONT'S EXPANDING SENIOR POPULATION.....



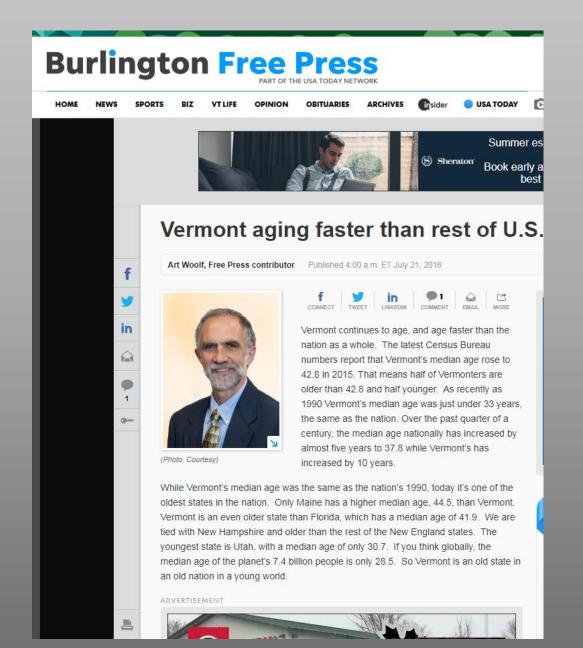
"VERTICAL MAIN STREET"

SENIOR, MARKET RATE HOUSING UNDER CONSTRUCTION IN WHITE RIVER JUNCTION





ART WOOLF – VERMONT'S STATISTICAL DALAI LAMA



FROM SEVEN DAYS ARTICLE.....

Call it what you will, the numbers are sobering: According to U.S. Census figures, Vermont's population is the second oldest in the nation and on track to claim the top spot soon. In the next decade, Vermont is projected to add another 100,000 people to the 60-and-older age group, a 16 percent increase. The number of Vermonters 85 and older is expected to *double* by 2030.

This population change will have an impact on state coffers: Retired people, who are no longer working, pay fewer taxes. Those who live in rural isolation are harder to reach and costlier to care for. Tiny Vermont lacks the resources to expand public transportation or make older houses affordable and safe.

The state's current inventory of more than 100 senior living communities, including independent living, assisted living, memory care and nursing homes, won't be enough. Bottom line: "We're going to see an increased need for many different retirement options," says Monica Hutt, commissioner of the Vermont Department of Disabilities, Aging and Independent Living.

FROM ART WOOLF ARTICLE.....

MEDIAN AGE (1990) VERMONT – 33 YRS UNITED STATES - 33 YRS

MEDIAN AGE (2015) VERMONT – 43 YRS UNITED STATES – 37.8 YRS

ALTERNATE CONCEPT – MIXED USED STRUCTURE ON SUMMER STREET OCCUPYING 50% OF EXISTING CITY LOT





MAIN STREET CONCEPTUAL VIEW



ORIGINAL PROJECT BUDGET

ILLUSTRATIVE ONLY – COSTS WOULD LIKELY SHIFT TOWARDS HOUSING AND AWAY FROM HOTEL / CONFERENCE CENTER

Steelopment Costs:	Sub-Total	3,775,000.00			
Site Demolition 750,000.00 750,000.0		3,773,000.00			
Site / Demolition 750,000.00 Funding 600,000.00 400,000.00 1,800,000.00 7.70%	-	50.000.00			
Funding Design 400,000.00	5	,			
Design	•				
1,800,000.00 7.70%	•				
Hotel	_		7.70%		
Conference Center Grocery Store Grocery Store Grocery Store fit up Housing Redevelopment Surface Parking Structured Parking Wheelock Renovation Sub-Total Copject Total, Before Tax Credits Project Total Downtown Tax Credits Project Total Downtown Tax Credits Project Total Conference Center Grocery Store Grocery Gr	Construction Costs:				
Conference Center Grocery Store Grocery Store Grocery Store fit up Housing Redevelopment Surface Parking Structured Parking Wheelock Renovation Sub-Total Copject Total, Before Tax Credits Project Total Downtown Tax Credits Project Total Downtown Tax Credits Project Total Conference Center Grocery Store Grocery Gr	Hotel	9,306,000.00	90 rooms @ \$1	03,400 per room	í
Grocery Store 2,325,000.00 15,000 sq ft @ 155 psf 750,000.00 2,500,000.00 20,000 sq ft @ \$125 psf 750,000.00 150 spaces @ \$5,000 per space \$5,000,000.00 250,000.00 250 spaces @ \$22,000 per space 250,000.00 250,000.00 250 spaces @ \$22,000 per space 250,000.00 23,381,00	Conference Center				
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Structured Parking 5,500,000.00 250 spaces @ \$22,000 per space 250,000.00 23,381,000.00	Housing Redevelopment	2,500,000.00	20,000 sq ft @ :	\$125 psf	
Wheelock Renovation 250,000.00 Sub-Total 23,381,000.00 Project Total, Before Tax Credits 28,956,000.00 Historic Tax Credits (90%) (324,000.00) New Markets Tax Credits (4,207,140.00) Downtown Tax Credits (250,000.00) Project Total 24,174,860.00 83.49% Hotel / Conference Center 9,839,200.00 639,632.00 Grocery Store 2,945,250.00 173,866.00 11.59 15,000 Structured Parking 4,621,500.00 272,820.00 Surface Parking 4,020,910.00 237,366.00	Surface Parking	750,000.00	150 spaces @ \$	5,000 per space	
Wheelock Renovation Sub-Total 250,000.00 23,381,000.00 Project Total, Before Tax Credits 28,956,000.00 Historic Tax Credits (90%) New Markets Tax Credits (4,207,140.00) Downtown Tax Credits (250,000.00) Project Total (324,000.00) (4,207,140.00) (250,000.00) 24,174,860.00 83.49% Blocation: Hotel / Conference Center (5,9839,200.00) Grocery Store (2,945,250.00) Structured Parking (4,621,500.00) Structured Parking (4,020,910.00) Surface Parking (4,020,910.00) 237,366.00 11.59 15,000	Structured Parking	5,500,000.00	250 spaces @ \$	22,000 per space	e
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New Markets Tax Credits	Project Total, Before Tax Credits	28,956,000.00			
Downtown Tax Credits	Historic Tax Credits (90%)	(324,000.00)			
Residue	New Markets Tax Credits	(4,207,140.00)			
Ilocation:	Downtown Tax Credits	(250,000.00)			
Hotel / Conference Center 9,839,200.00 639,632.00 Grocery Store 2,945,250.00 173,866.00 11.59 15,000 Structured Parking 4,621,500.00 272,820.00 Surface Parking 4,020,910.00 237,366.00	Project Total	24,174,860.00	83.49%		
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Surface Parking 4,020,910.00 237,366.00	*			11.55	13,000
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	Housing	2,528,000.00	149,235.00	7,461.75	20
	Wheelock		,	,	
Total 24,174,860.00 12,987.00 6.49 2,000	WHEELOCK	220,000.00	12,367.00	0.49	2,000

MUNICIPAL BASIC PREMISE.... ANY MUNICIPAL INVOLVEMENT MUST BE SELF SUPPORTING

PARK CENTER REDEVELOPMENT EFFECT ON GRAND LIST / TIF DISTRICT

EXISTING VALUES:

1,652,900
1,500,000 7,574,350 1,516,800 10,591,150
8,938,250
277,979.58 X 75%
208,485.00
3,639,127
208,485.00 197,100.00
45,000.00
37,500.00
488,085.00

WHY THIS PROJECT HAS THE POTENTIAL TO BE SUCCESSFUL

- The need exists (lodging, grocery, housing)
 - The want exists (blighted area)
 - New Markets Tax Credit Eligible (40%)
 - The Scale Spreads Development Costs
 - TIF Eligible
 - Downtown Tax Credit Eligible

THE CHALLENGE MOVING FORWARD...

TIME

IN NOVEMBER, 2017, THE NMTC DISTRICT SHIFTED FROM ONE SIDE OF MAIN STREET TO THE OTHER. WHILE THE SHIFT HAS A TWELVE MONTH TAIL, AS OF NOVEMBER, 2018 THESE SITES WILL NO LONGER BE ELIGIBLE FOR NMTC FUNDING.

WHILE THIS SHIFT OPENS DEVELOPMENT OPPORTUNITIES WITHIN OTHER AREAS OF THE CITY, THE EFFECTIVE 40% INCREASE IN DEVELOPMENT COSTS ESSENTIALLY FORECLOSES A MEANINGFUL DEVELOPMENT OPPORTUNITY ON THESE SITES.

IN ORDER FOR THESE SITES TO TAKE ADVANTAGE OF NMTC FUNDING, PROJECT FUNDING WOULD NEED TO BE IN PLACE AND ACQUISTION CLOSINGS WOULD HAVE TO OCCUR BY NOVEMBER, 2018.

A SIGNIFICANT CHALLENGE....BUT NOT IMPOSSIBLE WITH A CLEAR PATH FORWARD.

HAPPY TO ANSWER QUESTIONS