



MEMO

Date: July 11, 2016
To: Conservation Board
From: Jesse Bridges, Director
RE: Approval for use of Conservation Funds - Former Burlington College Closing Costs
Cc: Dan Cahill, Land Steward

The following is an accounting of closing costs associating with the City and Vermont Land Trust (VLT) acquisition of 12 acres on the former Burlington College property. Some of these are still estimates as we work to pay off the loan secured by VLT and finalize associated easements with funders. **At this time we are only reimbursing VLT for the closing costs (\$37,857) associated with the initial land purchase.** Final staff time and interest will be calculated at loan close out and additional funding is expect to cover these expenses. Parks Commission voted unanimously 4-0 in favor of approving use of the Conservation Fund for this expense.

All City staff time has been accounted for in the general fund and includes significant hours from both the Director and Land Steward. City legal expenses have been covered at this time by the City Attorney's general fund budget for outside counsel.

Burlington College VLT Expense Summary

Estimated RSF interest: \$49,900

Closing Costs – land purchase:

Title search:	\$ 1,250
Title Insurance:	\$ 4,750
Holding (taxes, insurance):	\$17,500
Recording:	\$ 340
RSF closing/legal:	<u>\$34,500</u>
Sub-Total:	\$58,340

Rent pro-ration credit: -\$20,483

Total: \$37,857

Closing Costs – VHC conservation easement: (if VLT co-holds)

Title insurance:	\$ 4,000
Recording:	\$ 120
Mapping & digitizing:	\$ 1,450



Baseline report:	\$ 1,300
Stewardship endowment:	<u>\$10,000</u>
Total:	\$ 16,870

VLT staff time:	
To date (excluding E.D.):	\$24,525
Estimated future time, to 7/1/17 close-out	<u>\$15,475</u>
Total:	\$40,000

TOTAL ESTIMATED COSTS:	\$144,627
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(City credit for Sasaki contract: \$1,667)

NOTES:

- (1) VLT is contributing to the project 164 hours of E.D. time (\$20,500 value) and 80 hours of CFO time (\$8,000 value).
- (2) The loan secured by VLT was at a rate 75-100 basis points lower than commercially available loans, and has much more flexible payment terms and conditions. This results in a cost of capital savings of at least \$15,000 over the term of the loan.

Additional Funding

To date the City has expended \$500,000 in down payment on the land. We have received a commitment of \$500,000 towards the acquisition from the Vermont Housing and Conservation Board as well as a private philanthropic commitment to the Parks Foundation which will be announced shortly. An application has been submitted to the Land and Water Conservation Fund for another \$500,000 which we will know about in September.

Motion

Authorize Burlington Parks, Recreation and Waterfront Director to use Conservation Legacy Acquisition Funds to pay back Vermont Land Trust for all closing costs in the amount of **\$37,857**.