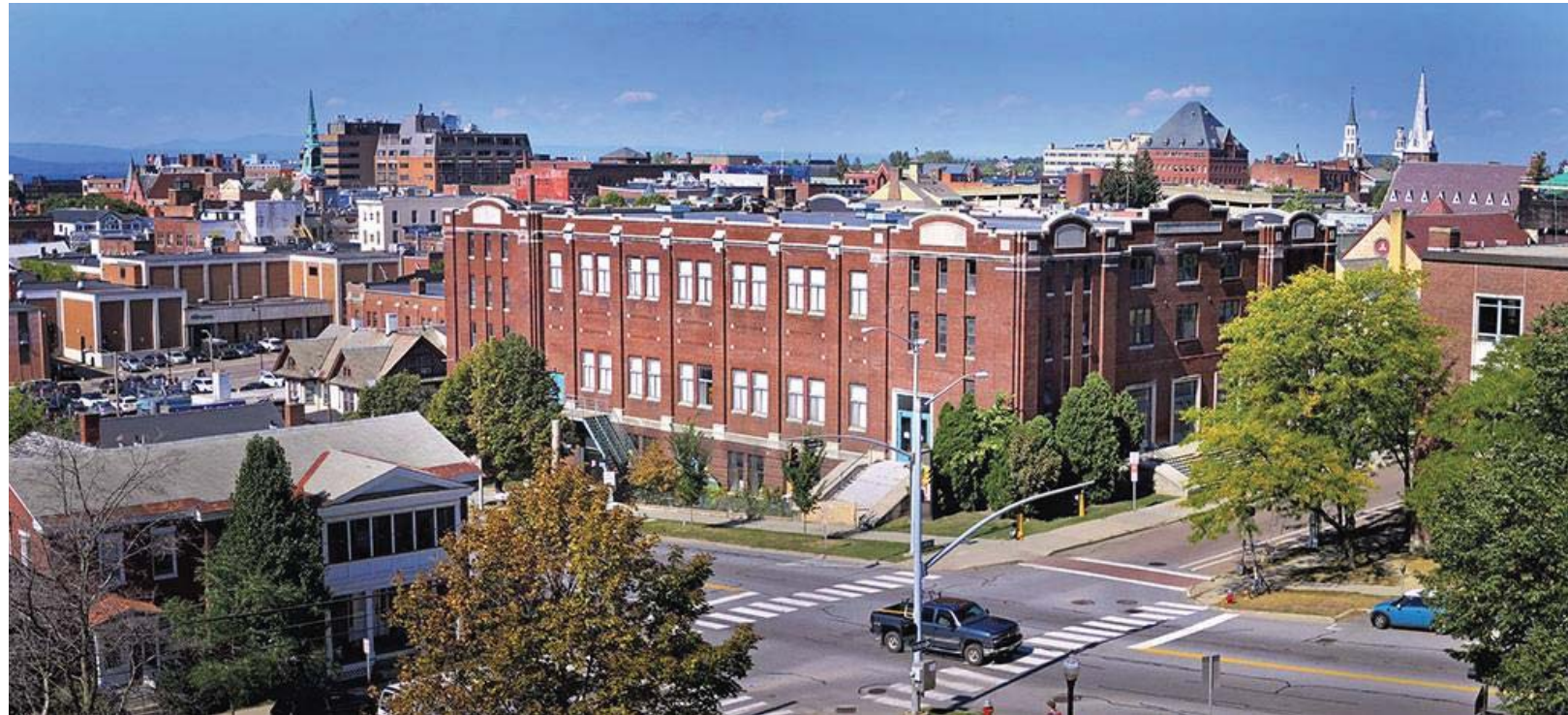


# Cost Report



# Capital Cost

(Up front cost)

- Construction
- Design
- Operating Costs
- Reserves

# Operating Cost

(Annual cost over time)

- Utilities
- Insurance
- Maintenance
- Taxes
- Contribution to Reserves

# Construction Cost Estimate

ELEMENT		Total 66,125 GSF		Renovation 55,010 GSF		Addition 11,115 GSF		Sitework	
		Cost	Cost/GSF	Cost	Cost/GSF	Cost	Cost/GSF	Cost	Cost/GSF
<b>Direct Trade Cost</b>									
Direct Trade Cost Details		\$19,225,946	\$290.75	\$13,480,863	\$245.06	\$5,020,132	\$451.65	\$724,951	\$10.96
Design and Pricing Contingency	10.0%	\$1,923,000	\$29.08	\$1,349,000	\$24.52	\$503,000	\$45.25	\$73,000	\$1.10
<b>Direct Trade Cost Total</b>		<b>\$21,148,946</b>	<b>\$319.83</b>	<b>\$14,829,863</b>	<b>\$269.58</b>	<b>\$5,523,132</b>	<b>\$496.91</b>	<b>\$797,951</b>	<b>\$12.07</b>
<b>Burdens and Markups</b>									
General Conditions and Project Requirements	10.0%	\$2,114,900	\$31.98	\$1,483,000	\$26.96	\$552,400	\$49.70	\$79,800	\$1.21
Insurance	1.25%	\$290,800	\$4.40	\$204,000	\$3.71	\$76,000	\$6.84	\$11,000	\$0.17
Performance and Payment Bonds	0.85%	\$200,300	\$3.03	\$140,400	\$2.55	\$52,300	\$4.71	\$7,600	\$0.11
Permit	waived	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00	\$0	\$0.00
Fee	3.5%	\$740,300	\$11.20	\$519,100	\$9.44	\$193,400	\$17.40	\$28,000	\$0.42
<b>Estimated Construction Cost Total</b>		<b>\$24,495,246</b>	<b>\$370.44</b>	<b>\$17,176,363</b>	<b>\$312.24</b>	<b>\$6,397,232</b>	<b>\$575.55</b>	<b>\$924,351</b>	<b>\$13.98</b>
Escalation Allowance from now to Start of Construction Spring 2020	6.64%	\$1,628,000	\$24.62	\$1,142,000	\$20.76	\$425,000	\$38.24	\$62,000	\$0.94
<b>Estimated Construction Cost Total at Start of Construction</b>		<b>\$26,123,246</b>	<b>\$395.06</b>	<b>\$18,318,363</b>	<b>\$333.00</b>	<b>\$6,822,232</b>	<b>\$613.79</b>	<b>\$986,351</b>	<b>\$14.92</b>

# City Development Cost

City develops the building using up to \$15M General Obligation (GO) Bond

## Costs ('Uses')

Construction:	\$26,123,246
Design:	\$1,886,000
Soft Costs:	\$1,279,493
Reserves:	\$1,000,000
<u>Contingency:</u>	<u>\$2,500,000</u>
Total:	\$32,788,739

## Sources of Funds ('Sources')

GO Bond:	\$15,000,000
<hr/>	
Total:	\$15,000,000
Gap:	<b>\$17,788,739</b>

# Or: A Public Private Partnership Approach

City partners with developer to use tax credits to augment \$15M GO Bond

## Costs ('Uses')

Construction:	\$23,575,169
Design:	\$1,886,000
Soft Costs:	\$4,133,586
Reserves:	\$2,535,888
<u>Contingency:</u>	<u>\$2,500,000</u>
Total:	\$34,695,643

## Sources of Funds ('Sources')

GO Bond:	\$15,000,000
Historic Tax Credit	\$4,559,866
NMTC	\$5,553,000
Loan	\$1,500,000
<hr/>	
Total:	\$26,612,866
Gap:	↓ \$8,082,777

# Annual Operating Costs

Utilities	\$112,495
Insurance	\$23,719
Maintenance	\$92,371
Taxes	\$81,430
<u>Contribution to Reserve</u>	<u>\$33,844</u>
Total	\$343,859

# MEMORIAL AUDITORIUM REDEVELOPMENT POTENTIAL STRUCTURE

8/14/19

CITY

LEASES MEMORIAL  
FOR X YEARS TO

MEMORIAL AUDITORIUM, LLC

SUB LEASES  
FOR X  
YEARS  
TO

BLDC  
MANAGING MEMBER

INVESTOR(S)  
MEMBERS

OPERATOR

- OPERATES WHOLE BUILDING
- PAYS RENT, OPERATING EXPENSES & RESERVES
- INVESTS CAPITAL FOR FIT-UP OF SPACE

PERFORMANCES  
CONCERTS  
EVENTS  
MEETINGS

MARKET  
&  
COMMUNITY  
USES

ARTS  
EDUCATION  
CULTURE

9/11/2019

**Memorial Auditorium  
Redevelopment Finance**

**Current Scenario**

	12/6/18 Presentation City Dev'd	1/31/2019 Pub Private Partnership	2/14/2019 Reduce Cost + TIF+PPP	8/14/2019 Full Reno+ TIF + Fed \$+PPP	8/14/2019 Reduce Cost + TIF+PPP
<b>Uses of Funds</b>					
Construction	26,123,246	23,575,169	22,640,028	26,123,246	22,640,028
Soft Costs & Financing	3,165,493	6,084,586	3,489,855	3,793,773	3,489,855
Reserves	1,000,000	2,535,888	936,633	962,198	936,633
Project Contingency (in add to line items)	2,500,000	2,500,000	1,500,000	1,500,000	1,500,000
<b>Total Uses of Funds</b>	<b>32,788,739</b>	<b>34,695,643</b>	<b>28,566,516</b>	<b>32,379,217</b>	<b>28,566,516</b>
<b>Sources of Funds - Permanent</b>					
Federal RITC		4,209,866	3,732,656	4,243,967	3,732,656
State RITC		350,000	350,000	350,000	350,000
New Markets		5,553,000			
Tenant Fit Up Capital					1,500,000
Senior Loan		1,500,000	1,500,000	1,500,000	1,500,000
City GO Bond Proceeds	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000
TIF Bond Proceeds - Muni Lot			3,875,000	3,875,000	
TIF Bond Proceeds - Adj Lot			2,625,000	2,625,000	
TIF Proceeds - Hotel Y Redevelopment					3,320,000
Federal Funding				4,785,250	
<b>Total Sources of Funds</b>	<b>15,000,000</b>	<b>26,612,866</b>	<b>27,082,656</b>	<b>32,379,217</b>	<b>25,402,656</b>
<b>(GAP)</b>	<b>(17,788,739)</b>	<b>(8,082,777)</b>	<b>(1,483,860)</b>	<b>0</b>	<b>(3,163,860)</b>



## 1.5 Memorial Development Budget - Construction Cost Estimate Adjustments

8/14/2019

Line	%	Cost	Notes
Direct Cost		\$ 2,733,997	Subtract: \$2.49M entire Theatre Consultants estimate (lighting, sound, curtains), \$243,600 seating. Assume these items are provided as fit-up by operator.
Contingency	10%	\$ 273,400	
Direct Total		\$ 3,007,397	
GC & Reqs	10%	\$ 300,740	10% of Direct Trade Total
Total + GC		\$ 3,308,136	Direct Trade Total + GC & Req's
Ins	1.25%	\$ 41,352	1.25% of Total + GC Req's
Total + Ins		\$ 3,349,488	Direct Trade Total + GC & Reqs + Ins
P&P	0.85%	\$ 28,471	0.85% Direct Trade Total + GC & Reqs + Ins
Total + P&P		\$ 3,377,959	Direct Trade Total + GC & Reqs + Ins + P&P
Permits	0	\$ -	N/A
Total + Permits		\$ 3,377,959	Direct Trade Total + GC & Reqs + Ins + P&P + Permits (N/A)
Fee	3.50%	\$ 105,259	3.5% of Direct Trade Cost Total
Total Reduction		\$ 3,483,218	

8/14/2019

**1.2.1 Memorial Auditorium- TIF Increment Analysis**

ANALYSIS OF REDEVELOPMENT OF YMCA - 266 COLLEGE STREET				Current Assessed Value			
1	LOT - 266 College Street	7,821	sq. feet	3,892,300			
2	Development Plan	Sq. Ft.	Use	# Units	Value/sf	Value/unit	Assessment
	Hotel			142		\$ 100,000	\$ 14,200,000
3	New Increment - Net (currently -0-)	\$ 14,200,000					
11	% allocable to TIF District	75%					
12	Total New TIF Increment	\$ 10,650,000					
13	Current Non-Res Tax Rate	\$ 2.81					
14	Gross New TIF Revenue	\$ 299,372					
15	Assumed Interest Rate	4.25%					
16	Assumed Loan Term	15	TIF district runs to 2036; Place in Service 2021				
17	Debt that can be serviced	\$ 3,320,000					
18	Annual Debt Service Payments	\$ 299,708					

## 2.1 Memorial Auditorium Development Budget - Source & Use Detail

8/14/2019

		<u>% of Total</u>	<u>Cost / SF</u>	<u>Justification / Reference</u>
<b>Sources of Funds</b>				
			67,768	
<b>Equity</b>				
	Federal Historic Tax Credit (RITC)	3,732,656	13%	RITC Eligible
	State Historic Tax Credit	350,000	1%	VT Downtown Credit eligible
	New Markets Tax Credit (NMTC)	-	0%	Eligible but not competitive
	Tenant Fit-Up Capital	1,500,000	5%	Assumption of Selected Propser
<b>Grants &amp; Other Support/Cost Reduction</b>				
		3,163,860	11%	Researching Opportunities
<b>City</b>				
	GO Bond	15,000,000	53%	Requires 2/3 Voter Approval
	TIF Loan 1 - Hotel Y Redevelopment	3,320,000	12%	Requires Voter Approval
			0%	
<b>Debt</b>				
	Senior Loan	1,500,000	5%	Maximum Potential Loan based on Rents and Debt Svc Capacity
<b>Total Sources:</b>		28,566,516	100%	\$421.53
<b>Uses of Funds</b>				
<b>Acquisition</b>				
	Building	-	0.00%	No Acquisition Cost - Lease to BCDC-controlled entity
	Closing Costs	65,000	0.23%	Appraisal, Title, Insurance, Phase 1 & 2, and Recording
<b>Total Acquisition Cost</b>		65,000	0.23%	\$0.96
<b>Hard Costs</b>				
			0.00%	
<b>Total Hard Costs (incl contingency)</b>		22,640,028	79.25%	\$334.08
12/18 Estimate, less \$3.4M cost reductions				
<b>Design</b>				
	Architectural & Engineering	1,358,402	4.76%	6% of total hard costs
	Landscape Architecture	50,000	0.18%	Allowance
	Civil Engineering	150,000	0.53%	Allowance
	Commissioning	35,000	0.12%	Allowance
	Energy Modeling	15,000	0.05%	Allowance
	Environmental	25,000	0.09%	Allowance for asbestos removal oversight & monitoring during const.
	Fit - Up A&E	15,000	0.05%	Allowance
	Historic Preservation	20,000	0.07%	For NPS Part 2 and 3
	IT/Data/Tel/Acoustic	50,000	0.18%	Allowance for additional acoustic & related consulting
	Environmental Certification	50,000	0.18%	Allowance for LEED or other
	Permit Applications & Hearings	30,000	0.11%	Allowance for work on regulatory and approvals
	Contingency	269,760	0.94%	15%
<b>Total Design</b>		2,068,162	7.24%	\$30.52
9.1% of hard costs				
<b>Other Soft Costs</b>				
	Accounting & Audit	40,000	0.14%	For RITC audit and construction period accounting
	Lender Inspector	25,000	0.09%	Reasonable estimate - 1 year construction period
	Legal	135,000	0.47%	Allowance for structuring SPE, negotiation of sub-lease and closing of financing
	Community Engagement	25,000	0.09%	Allowance for input, RFP's, etc
	Market Studies	30,000	0.11%	Allowance for market research, rfp's etc.
	Permit Fees	311,474	1.09%	Assume Impact Fees waived, all Permit Fees waived if City developed
	Development Fee	-	0.00%	Assume no development fee, Development Consultant on following line
	Development Consultant	250,000	0.88%	Allowance for third party consultant to BCDC
	Testing	15,000	0.05%	Allowance for additional brick & steel testing
	Contingency	124,721	0.44%	15%
<b>Total Other Soft Costs</b>		956,195	3.35%	\$14.11
<b>Financing, Reserves &amp; Carrying Charges</b>				
<b>Reserves</b>				
	NMTC Reserves	-	0.00%	N/A
	RITC Reserve	186,633		5% RITC for Master Tenant Flip
	Operating/ Lease-Up Reserves	750,000	2.63%	Per 1.1 Assumptions
<b>Financing</b>				
	Construction Period & Bridge Loan Interest	275,498	0.96%	Per 2.4 Loan Schedule
	Loan Fees & Expenses	125,000	0.44%	Allowance
	NMTC Audit & Fees during Const	-	0.00%	N/A
<b>Carrying</b>				
	Builders Risk & Liability Insurance	-	0.00%	Included in construction cost estimate
	Maintenance & Security	-	0.00%	Included in construction cost estimate
	Utilities	-	0.00%	Included in construction cost estimate
	Taxes	-	0.00%	No taxes paid currently
<b>Total Financing, Reserves &amp; Carrying</b>		1,337,131	4.68%	\$19.73
<b>Project Contingency</b>		1,500,000	5.25%	\$22.13
				Allowance
<b>Total Uses</b>		28,566,516	100.00%	\$421.53
<b>Total Surplus/(Gap)</b>		(0)	0.00%	(0)

**3.1 Memorial Auditorium - Operating Budget & Cash Flow Pro Forma**

8/14/2019

		Pro Forma										
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
		1	2	3	4	5	6	7	8	9	10	
<b>General Assumptions</b>												
	Gross Square Footage	67,768										
	Leased Square Footage	51,150										
	Efficiency	1										
	Income - Rate of Increase	2%										
	Expenses - Rate of Increase	2%										
<b>Occupancy Assumptions</b>												
	Ground Floor - Market/Flex Space	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
	Ground Floor - Leasable Space	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	
	Events Operator Space	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
<b>Gross Income (NNN + CAM)</b>												
	Ground Floor - Market/Flex Space	61,809	61,809	63,046	64,307	65,593	66,905	68,243	69,607	71,000	72,420	73,868
	Ground Floor - Leasable Space	33,038	26,431	26,959	27,498	28,048	28,609	29,181	29,765	30,360	30,968	31,587
	Events	353,252	353,252	360,317	367,523	374,874	382,371	390,019	397,819	405,776	413,891	422,169
<b>Total Revenue</b>		<b>448,100</b>	<b>441,492</b>	<b>450,322</b>	<b>459,328</b>	<b>468,515</b>	<b>477,885</b>	<b>487,443</b>	<b>497,192</b>	<b>507,136</b>	<b>517,278</b>	<b>527,624</b>

		Pro Forma											
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		
		1	2	3	4	5	6	7	8	9	10		
<b>Expenses</b>													
<b>Recoverable (CAM)</b>		<u>Per SF</u>											
	Elevator Maint & Inspections	8,000	\$0.12	8,000	8,160	8,323	8,490	8,659	8,833	9,009	9,189	9,373	9,561
	HVAC Maintenance & Repairs	20,330	\$0.30	20,330	20,737	21,152	21,575	22,006	22,446	22,895	23,353	23,820	24,297
	Insurance - Prop & Liability	23,719	\$0.35	23,719	24,193	24,677	25,171	25,674	26,187	26,711	27,245	27,790	28,346
	Janitorial & Cleaning Supplies	21,686	\$0.32	21,686	22,119	22,562	23,013	23,473	23,943	24,422	24,910	25,408	25,916
	Grounds Maintenance	3,388	\$0.05	3,388	3,456	3,525	3,596	3,668	3,741	3,816	3,892	3,970	4,049
	Maintenance & Repairs - General	16,942	\$0.25	16,942	17,281	17,626	17,979	18,339	18,705	19,079	19,461	19,850	20,247
	Recycling & Waste	3,388	\$0.05	3,388	3,456	3,525	3,596	3,668	3,741	3,816	3,892	3,970	4,049
	Snow Removal	6,777	\$0.10	6,777	6,912	7,051	7,192	7,335	7,482	7,632	7,784	7,940	8,099
	Sprinkler/Security/Fire Alarm	6,777	\$0.10	6,777	6,912	7,051	7,192	7,335	7,482	7,632	7,784	7,940	8,099
	Storm Water Fees	2,033	\$0.03	2,033	2,074	2,115	2,157	2,201	2,245	2,290	2,335	2,382	2,430
	Telephone/Data	1,355	\$0.02	1,355	1,382	1,410	1,438	1,467	1,496	1,526	1,557	1,588	1,620
	Utilities - Electric - Ground & Common Only	27,107	\$0.40	27,107	27,649	28,202	28,766	29,342	29,929	30,527	31,138	31,760	32,396
	Utilities - Heat	71,156	\$1.05	71,156	72,580	74,031	75,512	77,022	78,562	80,134	81,736	83,371	85,038
	Utilities - Water & Sewer	10,843	\$0.16	10,843	11,060	11,281	11,507	11,737	11,971	12,211	12,455	12,704	12,958
	Window Washing	5,083	\$0.08	5,083	5,184	5,288	5,394	5,502	5,612	5,724	5,838	5,955	6,074
	Taxes	81,430	\$1.25	81,430	83,059	84,720	86,415	88,143	89,906	91,704	93,538	95,409	97,317
<b>Subtotal Recoverable Expenses (CAM)</b>		<b>310,015</b>	<b>\$4.62</b>	<b>310,015</b>	<b>316,216</b>	<b>322,540</b>	<b>328,991</b>	<b>335,570</b>	<b>342,282</b>	<b>349,127</b>	<b>356,110</b>	<b>363,232</b>	<b>370,497</b>
<b>Non Recoverable Expenses</b>													
	Subtotal Nonrecoverable Expenses	0	-	-	-	-	-	-	-	-	-	-	
	<b>Total Operating Expenses</b>	<b>310,015</b>	<b>310,015</b>	<b>316,216</b>	<b>322,540</b>	<b>328,991</b>	<b>335,570</b>	<b>342,282</b>	<b>349,127</b>	<b>356,110</b>	<b>363,232</b>	<b>370,497</b>	
	<b>Net Operating Income</b>	<b>138,085</b>	<b>131,477</b>	<b>134,106</b>	<b>136,789</b>	<b>139,524</b>	<b>142,315</b>	<b>145,161</b>	<b>148,064</b>	<b>151,026</b>	<b>154,046</b>	<b>157,127</b>	
<b>Other Expenses/Reserves</b>													
	Reserve for Replacement	33,884	33,884	34,562	35,253	35,958	36,677	37,411	38,159	38,922	39,701	40,495	
<b>Total Expenses &amp; Reserves Funded</b>		<b>343,899</b>	<b>343,899</b>	<b>350,777</b>	<b>357,793</b>	<b>364,949</b>	<b>372,248</b>	<b>379,693</b>	<b>387,286</b>	<b>395,032</b>	<b>402,933</b>	<b>410,991</b>	
	Per Gross SF		5.07	5.18	5.28	5.39	5.49	5.60	5.71	5.83	5.95	6.06	
	Per Leasable SF		6.72	6.86	6.99	7.13	7.28	7.42	7.57	7.72	7.88	8.04	
<b>EBITDA</b>		<b>104,201</b>	<b>97,593</b>	<b>99,545</b>	<b>101,536</b>	<b>103,566</b>	<b>105,638</b>	<b>107,750</b>	<b>109,905</b>	<b>112,104</b>	<b>114,346</b>	<b>116,633</b>	