



Benn High Redevelopment

Project Update: Town/Hale Resources Development Agreement



PROJECT UPDATE

- Property Background
- Project Scope / Vision
- Ownership / Site Control
- Proposed Ownership / Lease Structure
- Funding
- Site Plan & Parking
- Questions



Property Background



The former Bennington High School/Middle School located at 650 Main Street consisting of an approximately 100,000 sq. ft. building located on 2.29 acres (Benn High).



Project Scope / Vision

Redevelopment of Benn High by a public/private partnership made up of the Town and Hale Resources

The Town Space – 27,000 sq ft

- Approximately 14,000 sq. ft. occupied by the Bennington Senior Center and Meals on Wheels
- Approximately 13,000 sq. ft. of gym space, exercise/activity rooms, locker rooms/changing rooms

The Residential Space – 70,000 sq ft

- Mix of market rate and affordable rental housing
- NEW: Proposed possible childcare facility.
- 22 Market Rate Apartments
- 15 Permanently Affordable Apartments

The Office Space – 3,000 sq ft



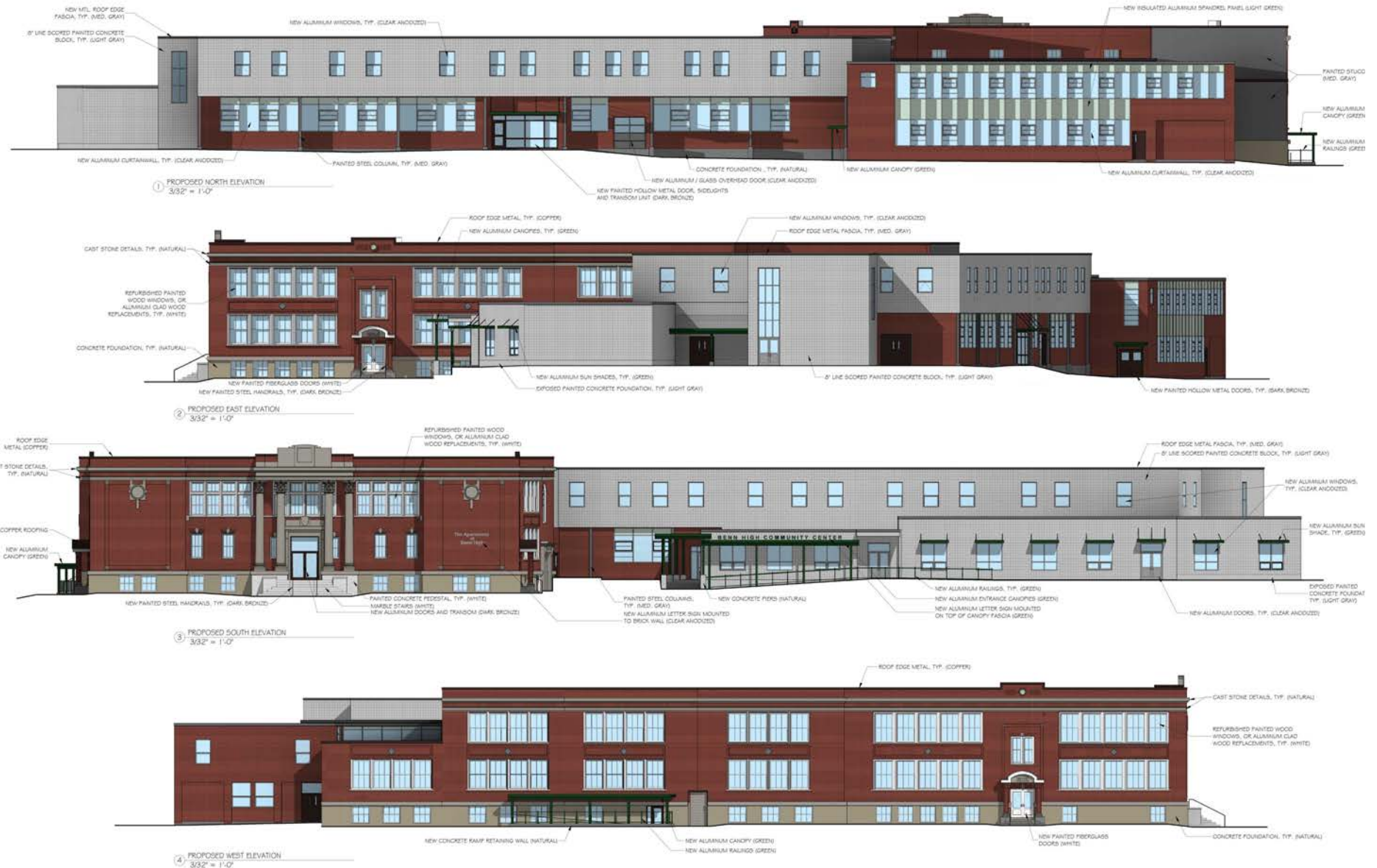
Aerial View - Before





Aerial View - After







Renderings





Renderings



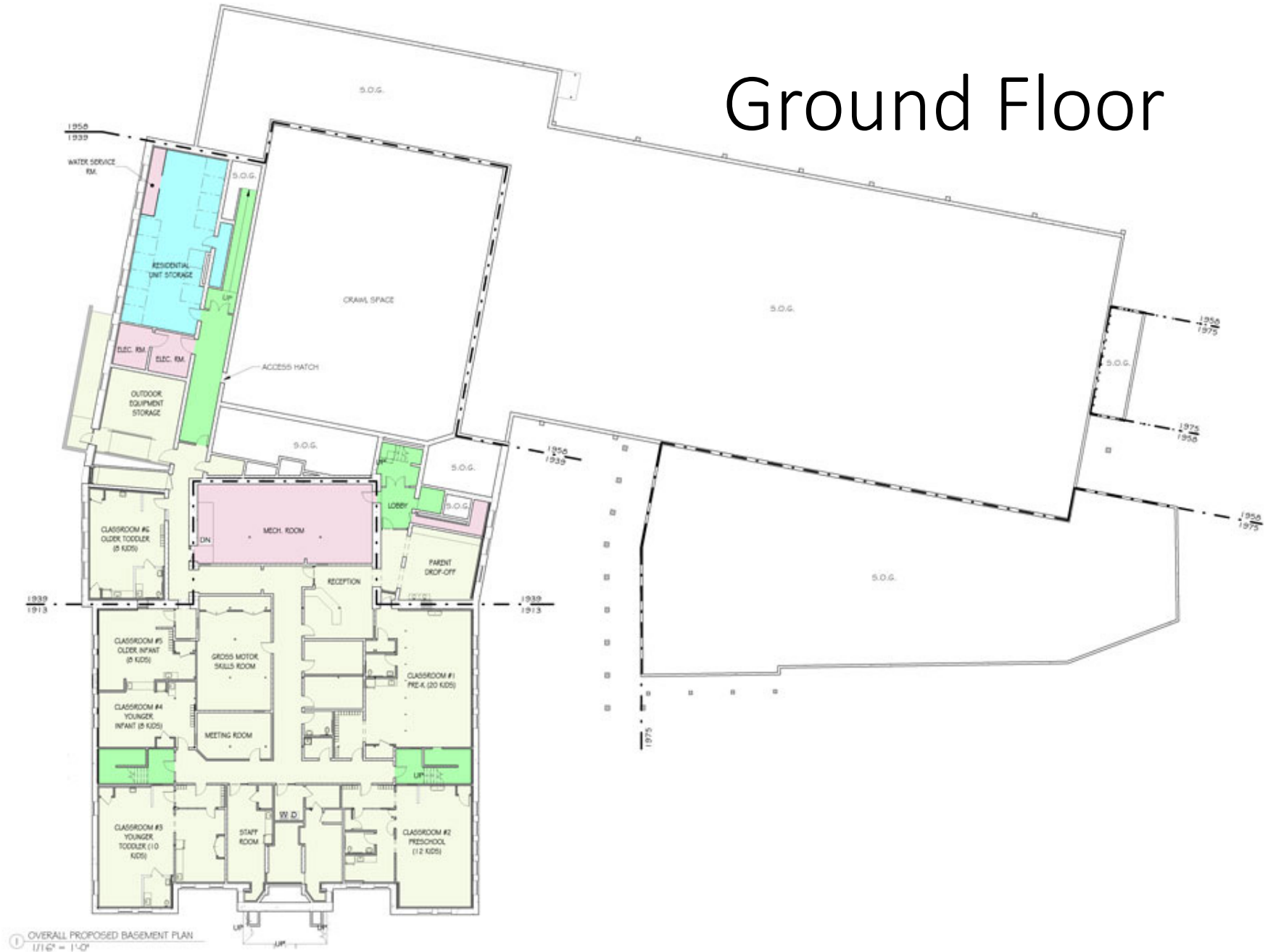


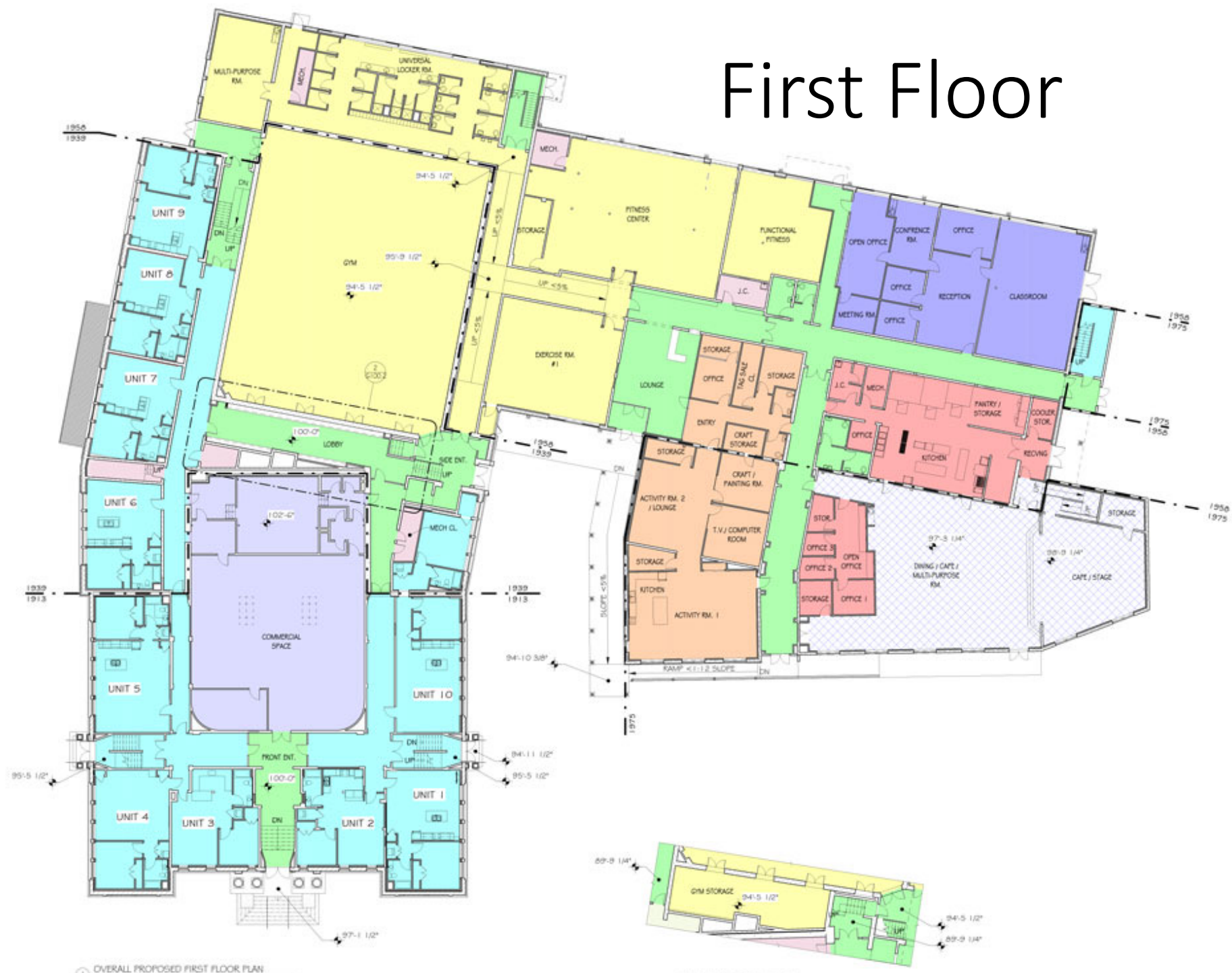
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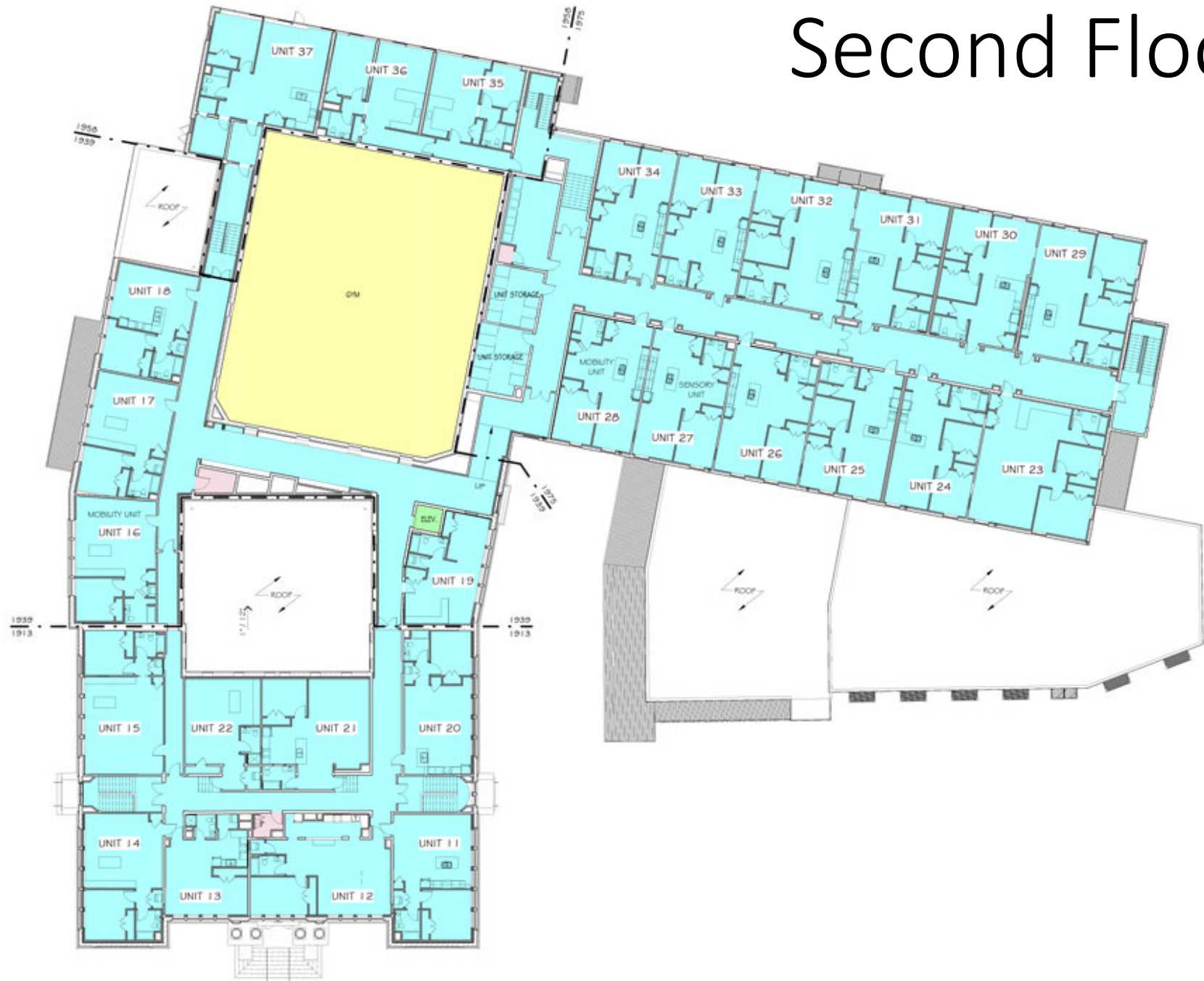
Ground Floor





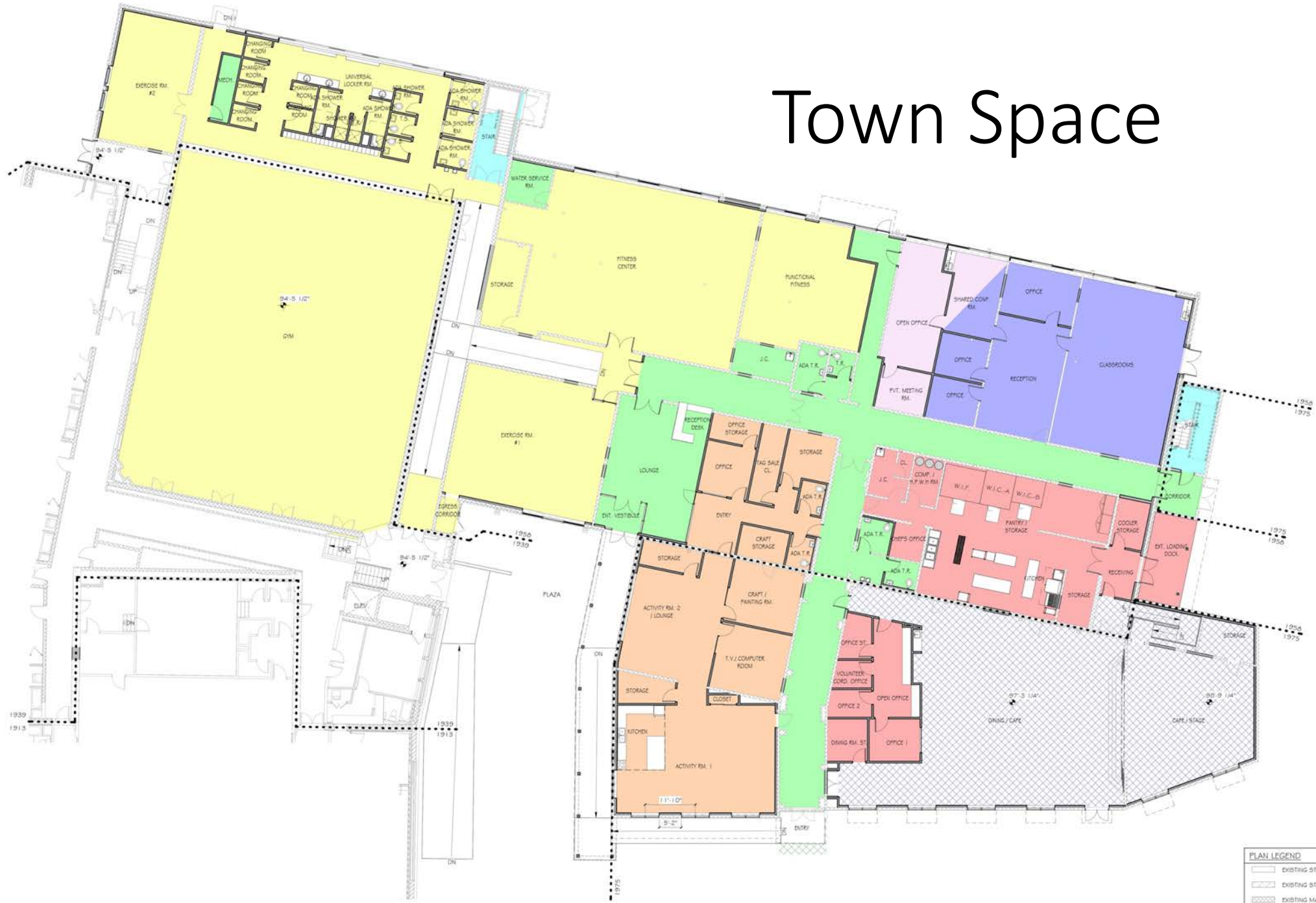


Second Floor





Town Space



PLAN LEGEND

- EXISTING STUD WALL
- EXISTING STRUCTURAL GLASS
- EXISTING MASONRY WALL
- EXISTING CONCRETE WALL



Possible Childcare Space





Residential Spaces – Market Rate



② UNIT 1 INTERIOR PERSPECTIVE - ENTRY



① UNIT 1 INTERIOR - KITCHEN



Residential Spaces – Non Market Rate



UNIT 2G INTERIOR- ENTRY



UNIT 2G INTERIOR- KITCHEN



Current Ownership / Control

- The Property is **currently owned by Christopher Gilbert**
- The Town has obtained **site control of the property through an assignable long-term Lease with a lease to own provision, purchase option, and option to terminate if the project does not proceed (Lease/Option)**
- Christopher Gilbert has signed an MOU agreeing to **convert the Lease/Option to a mortgage** at the election of the Town.



Proposed Ownership / Control

Transfer to Hale Resources

- The Town will assign the Lease/Option to Hale Resources
- Hale Resources will exercise the purchase option or convert the Lease/Option to a mortgage held by Chris Gilbert
- Purchase Price of Benn High Includes transfer of current Senior Center building in accordance with the Terms of Lease/Option
- Upon completion of construction of the new Senior Center and Meals on Wheels portions of the Community Space, the Town will transfer the current Senior Center Building to Chris Gilbert



Proposed Ownership / Control

Hale Resources Ownership Model

- Ownership of the building will be divided between two separate entities, each an affiliate of Hale Resources.
- Entity #1 will own the 15 affordable residential units.
- Entity #2 will own the of 22 market rate residential units, the Town space, office space, and childcare space if that moves forward.
- Hale Resources will manage the entire building.
- Hale Resources will fund and construct the re-development of the entire building and site, including the Town Space.



Proposed Ownership / Control

Town Space Lease

- **The Town will lease 27,000 sq. ft. of space from Hale Resources**
- **Hale Resources will construct the Town Space** in accordance with a design approved by the Town and lease the Town Space to the Town (Town Space Lease). **The Town will install, at its cost, the furnishings, and telephone/data/computer/security system equipment** in the Town Space.
- The Town will sublease a portion of the Town Space to **Meals on Wheels**.
- The Town will **contract with the YMCA to manage** the recreational space leased by the town.



Proposed Ownership / Control

Town Space Lease, Continued

- The Town will pay for **\$2 million of the construction costs** for the Town Space. Hale Resources will fund the balance of the cost of construction for the Town Space, less any grants obtained by the Town for the project.
- The initial Town Space Lease **Term will be at least 20 years** with renewal terms or a capital investment reimbursement on all town funds spent on the project plus interest to the Town at the end of the initial term.
- The Town's **lease payment will be \$7.50 per sq. ft.** which is well below market rate leases which range from \$13.50 to \$25 or more per sq. ft.
- Hale Resources will lease the office/workshop space to **UVM Extension / Council on Aging.**



Proposed Ownership / Control

Shared Uses

The Town Space Lease documents will comprehensively address:

- Shared use of interior spaces
- Shared use of exterior facilities including access drives and parking
- Shared use of utility services, fire suppression systems and other infrastructure.



Proposed Ownership / Control

Maintenance

The Town Space Lease documents will comprehensively address maintenance responsibilities of the building and site. As currently contemplated:

- **The Town will be responsible for site maintenance** (plowing, mowing, etc.), but not capital improvements to the site
- **Hale Resources will be responsible for maintenance of the entire building** (less the Town Space) and most building systems, including the roof system.
- **The Town will be responsible for maintenance of the leased interior area for the Town Space.**



Funding

A complex funding stack must be secured to complete the Project. Hale Resources and the Town will continue to work cooperatively and diligently to secure the funding sources necessary to fund the Project.

TOWN COSTS:

- Lease Payments
- Pre-occupancy Costs
- Operating Costs
(after occupancy)

HALE RESOURCES COSTS:

- Total Project Cost \$28 million
(Including construction and all soft costs)
- All Building Maintenance
(except interior Town space)



Town Funding: Lease Payments

Total space being rented by the Town (Senior Center, Recreational Space, Meals on Wheels) is 26,434 sq ft at \$7.50 per square foot. Total monthly rent is \$16,521, or **\$198,252 annually.**

The lease payment will be paid by a combination of the following funding sources:

- Meals on Wheels Sublease
- Current Annual Rent Town is Paying for Recreational Space
- Savings From Reduced YMCA Management Agreement
- Existing Recreational and Senior Center Budget

**No Increase to Town Budget is Expected for Lease Payments
Using This Formula**



Town Funding: Tenant Costs Before Occupancy*

***ONE TIME COSTS**. Does not include construction costs or lease payments - outlined separately

Pre-Occupancy Costs – \$275,000

(In addition to construction costs, including all property expenses until October 1, 2023 closing)

- Legal Fees: \$10,000
- TIF Phased Filing (if necessary): \$17,000
- Design Development: \$70,000
- Furnishings: \$10,000
- Computer/Telephone Equipment/Connections: \$15,000
- Security System: \$40,000
- Contingency (20%): \$32,400
- Lease Payments (Gilbert): \$55,000
- Utilities: \$17,000
- Taxes: \$5,600

Pre-Occupancy Costs

100% covered by ARPA Funds



Town Funding: Operating Costs After Occupancy*

* After completion of construction and in addition to current Senior Center operating costs.

Additional Annual Operating Costs - \$88,000

Utilities: \$37,000

Taxes (Education): \$26,000

Maintenance Costs**: \$25,000

**1/2-time employee & supplies

Due to increased revenue generated from Benn High, future reduction in the YMCA management agreement is expected to decrease or eliminate these costs.



Benn High by the Numbers

Overall Project Cost (Entire Building / Site): **\$28 million***

(Hale will be responsible for funding all costs of the re-development of Benn High except as indicated below)

Town commitment to Town Space construction: \$2 million

(total construction cost \$8 million for Town Space)

Town pre-development & fit/up costs: \$500,000

Transfer of former Senior Center building: \$400,000 value – returns to tax rolls

Town Total for Town Space: \$2.5 million (ARPA) plus value of former Senior Center**

Town Space Lease Payment (\$7.50 per sq. ft.): **\$200,000**

(No expected increase in Town budget as detailed in prior slide)

Additional Town Space Annual Operating Costs: \$88,000

(Expect to be covered by future reduction in YMCA operating agreement)

*All numbers are rounded up from estimates

**Approximately \$400,000 balance in ARPA after Benn High construction



Funding

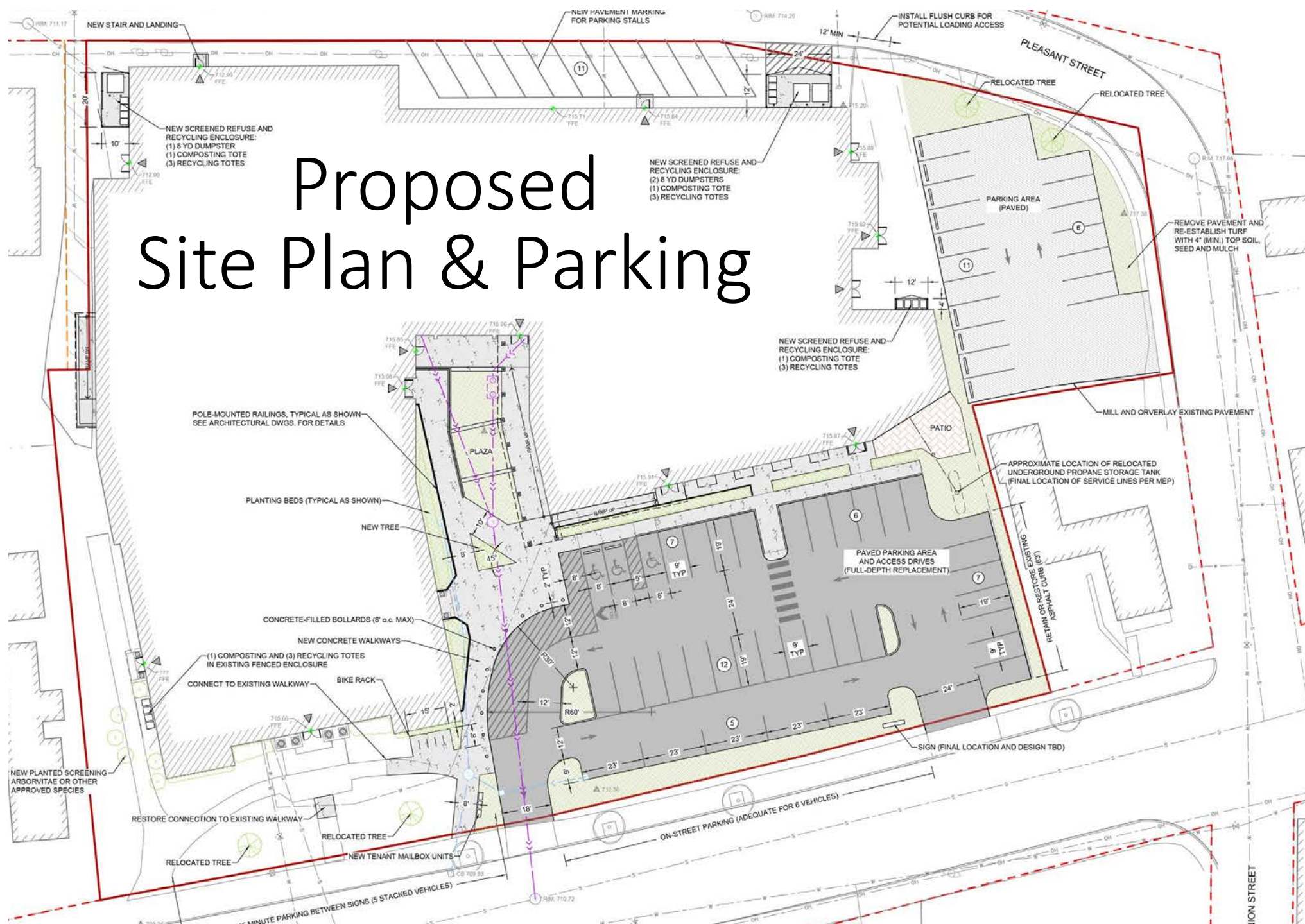
Presentation by Zak Hale of Hale Resources on funding sources for the Benn High project



Benn High Site:
65 spaces
(3 Handicapped)

On Street
within 400 feet:
50 spaces

Parking study
shows sufficient
parking available,
but option for
additional parking
exists if needed.





NEXT STEPS:

- **May 22** - Public Comment and Select Board action to approve negotiating a development agreement with Hale Resources LLC
- **June 12 (tentative)** – Select Board review and decision on development agreement with Hale Resources LLC



Benn High Redevelopment

Questions?

info@benningtonvt.org

All materials are on
the Town Website
Benningtonvt.org





Parking Study

Estimated Parking Demand

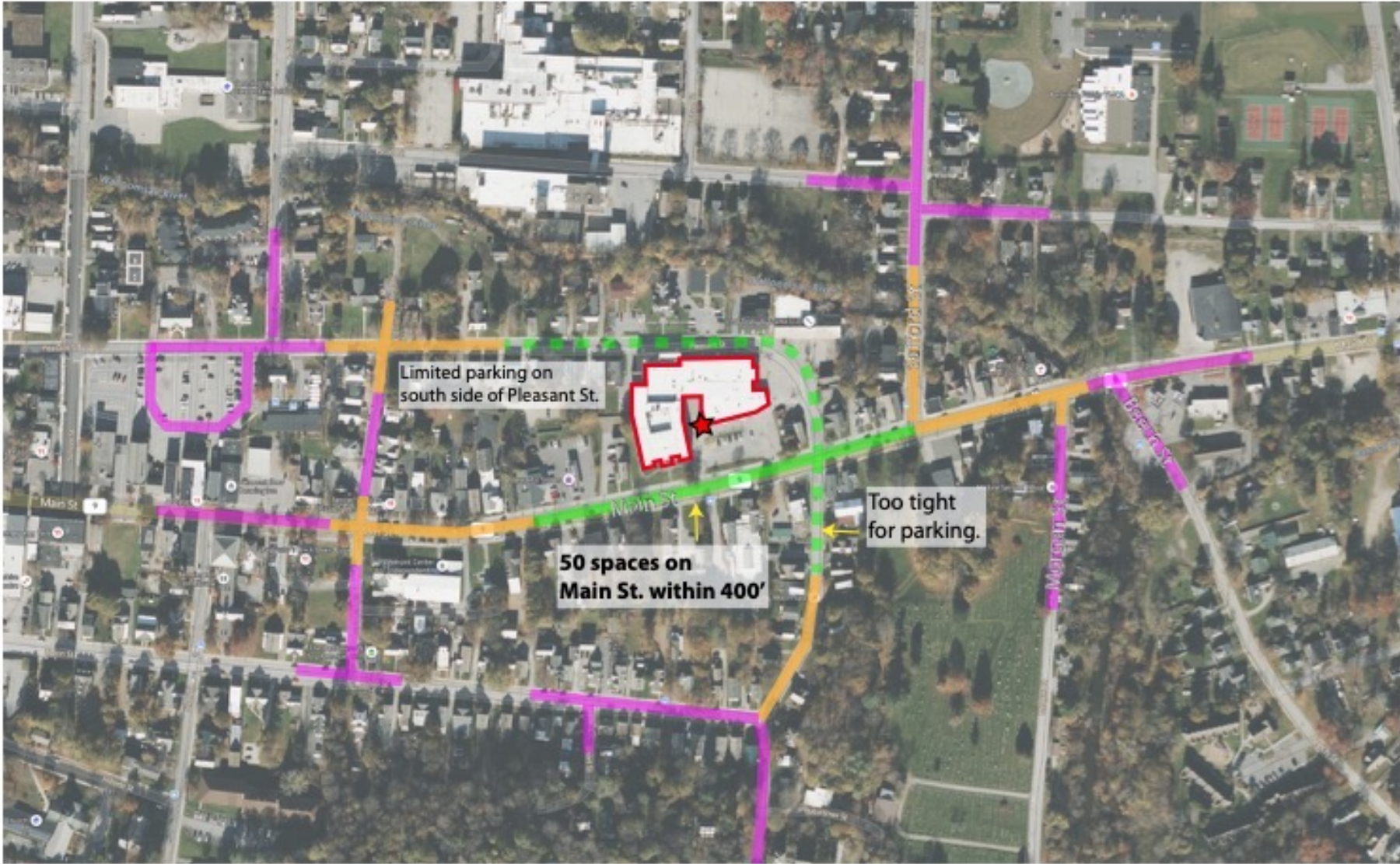
Parking management : **TENANTS, EMPLOYEES and PATRONS allowed anytime. No public parking.**

Use	6:00 AM - 8:00 AM		8:00 AM - 10:00 AM		10:00 AM - 2:00 PM		2:00 PM - 5:00 PM		5:00 PM - 9:00 PM		9:00 PM - 6:00 AM	
Demand estimate range	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
Housing (37 units)	41	49	9	15	9	15	9	15	24	40	41	49
YMCA staff	2	4	4	6	4	6	4	6	2	4	0	0
YMCA patrons	9	22	9	22	5	13	9	22	9	22	0	0
Childcare facility	7	9	13	16	13	16	13	16	7	9	0	0
Meals on Wheels & Bennington Senior Center	0	0	10	15	25	25	10	15	0	0	0	0
UVM	0	0	2	2	2	2	2	2	0	0	0	0
Council on Aging	0	0	2	2	2	2	2	2	0	0	0	0
Parkers	59	85	49	78	60	79	49	78	43	75	41	49
Spaces on site	65	65	65	65	65	65	65	65	65	65	65	65
Site above/below capacity	6	-20	16	-13	5	-14	16	-13	22	-10	25	16
LOS A street parking avail.	42	34	42	34	42	34	42	34	42	34	42	34
Site + LOS A street parking above/below capacity	48	14	58	21	47	20	58	21	64	24	67	50



PARKING STUDY

50 spaces within 400'



Assumes 100' of walking on Benn High site. Measured from edge of site.



- Walking Distance**
- 0-400' IDEAL (LOS A)
 - 400'-800' GOOD (LOS B)
 - 800'-1,200 AVERAGE (LOS C)



PARKING STUDY

400' comparison
with Walmart

