

DRAFT – 4/21/23

Benn High Redevelopment– Project

Town/Hale Resources Development Agreement

Proposed Term Sheet

Hale Resources and the Town intend to enter into a Development Agreement to collaboratively accomplish the project described below pursuant to the terms described below.

Property

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

The redevelopment of Benn High by a public/private partnership made up of the Town and Hale Resources. The schematic design prepared by Goldstone Architecture contemplates approximately 27,000 sq. ft. of municipal space (Town Space), 70,000 sq. ft. of residential space (Residential Space), and 3,000 sq. ft. of office space (Office Space).

The Town Space consists of approximately 14,000 sq. ft. occupied by the Bennington Senior Center and Meals on Wheels, and approximately 13,000 sq. ft. of gymnasium space, exercise/activity rooms, locker rooms/changing rooms.

The Residential Space will include a mix of market rate and affordable rental housing and a childcare facility. 37 units are planned, including 15 permanently affordable units. The childcare facility space will be leased and operated by the YMCA.

Extensive pre-development work has been performed by Hale Resources and the Town. The Town has committed \$2 million dollars of Town ARPA funding to the construction of the project and Hale Resources has identified a funding stack for the balance of the construction costs for the project. The Town and Hale Resources are committed to working collaboratively to apply for and support grants and other funding sources identified by the Town and Hale Resources to fund the project.

Current Ownership/Control of the Property

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/Lease Structure

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.

The Town, upon completion of construction of Phase 1 of the Town Space, will transfer the current Senior Center Building to Chris Gilbert in accordance with the Terms of the Lease/Option.

Ownership of the building will be divided between two entities, each an affiliate of Hale Resources. Entity #1 will own the 15 affordable residential units. Entity #2 will own the 22 market rate residential units, a childcare facility, and the Town Space, and Office Space.

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.

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 within the Town Space. Hale Resources will lease the Office Space to UVM Extension.

The Town will pay for \$2 million of the construction costs for the Town Space using municipal ARPA funds. 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 multiple renewal terms or a capital investment reimbursement (all funds invested in the project by the Town, adjusted for inflation) to the Town at the end of the initial term.

The Town Space Lease will comprehensively address (i) shared use of interior spaces; (ii) shared use of exterior facilities including access drives and parking; and (iii) shared use of utility services, fire suppression systems and other infrastructure.

The Town Space Lease 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, and 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 Stack

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.