



October 6, 2021

Julia Connell
Vermont Community Development Program
1 National Life Dr, Davis Bldg, 6th Floor
Montpelier, VT 05620-0501

RE: Enhancement Request for 07110-IG-2020-Middlebury-61

Dear Ms. Connell,

Please accept this award enhancement request from the Addison County Community Trust for the Lindale Community Septic System in Middlebury. Our request is for an additional \$100,000, which represents the current funding gap on this project.

There have been several encouraging project developments since the June 10th VCDP Board Meeting as follows:

Grants, Financing and Land Acquisition

In late June we closed on a refinance package with the Vermont Housing Finance Agency. This refinance not only significantly lowered the existing amortizing debt, but also allowed ACCT to acquire a 25-acre abutting property with which to locate the new leach fields for the project.

We also submitted a \$200,000 Congressionally Designated Spending request to Senator Sanders office in late June. Our request has made it into the infrastructure bill currently being negotiated in Washington. This application, while compelling, still falls in the pending category of funding. If for some reason this funding does not become available, we would likely add this to our RD loan.

In early August ACCT signed "obligation" paperwork with USDA Rural Development. This package of financing through RD was the best scenario that we hoped for, and amounts to \$876,000 in grant funding, and just over \$200,000 in debt.

Design Development and Permitting

Design Development and Permitting has continued since June. Currently we are circulating 90% drawings and specifications. We are working closely with staff engineers at the Vermont Clean Water Revolving Fund, as well as at USDA Rural Development. All permit applications are complete and have been submitted. These include Town of Middlebury Zoning for the land acquisition and boundary line adjustment, Army Corps of Engineers Permit, Wetland Permit, Small Scale Waste Water, Act 250, and Indirect Discharge Permit. We are not expecting challenges with these permits as we have been in long term communication with each of the respective agencies or entities.

Project Schedule

We are currently still on track to have this project out for bidding in February of 2022. We feel this is the best time to bid a project like this in general, but it's particularly important now to hit preferential bid periods as we are in an environment of escalating construction costs.

Attached to this request is an updated development budget, which captures all of the updates listed above. The total funding request from the Community Development Program would be \$450,000 and represent 15% of the overall project budget, or \$6,716 per housing unit.

This project has been made possible by the Vermont Community Development Program and the Town of Middlebury, as both have stood by ACCT and the Lindale project through a time consuming, risky, and rigorous feasibility planning process. As of this writing most of the barriers to this project have been overcome.

Please let us know if you have any questions or concerns on this enhancement request.

Sincerely,

Isaac Wagner

Development Consultant

CC:

Kathleen Ramsay, Town of Middlebury

Elise Shanbacker, Addison County Community Trust

Alix O-Meara, Addison County Community Trust

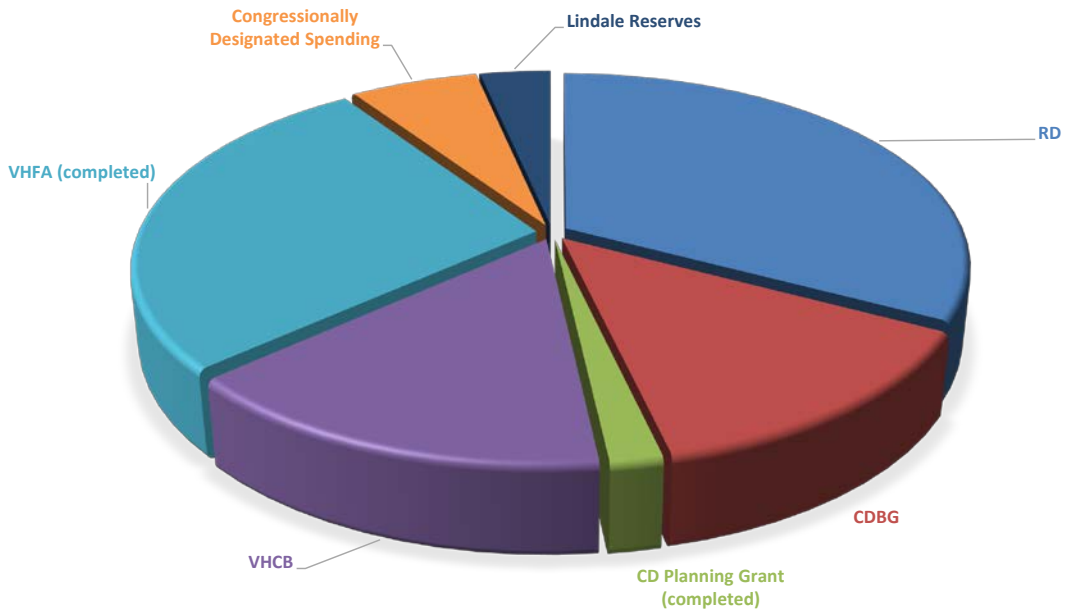
ATTACHMENTS:

(1) Lindale Proforma Development Budget 10-8-21

Total Residential Units:	67	<u>Assumptions</u>	
Total Hard Cost:	1,575,889	Income Increase:	1.50%
Total Soft Cost:	859,196	Expense Increase:	3.00%
Total Development Cost:	3,310,572	Vacancy Rate:	5.00%
Total Development Cost Per Unit:	38,136		

SOURCES		% of Total		Interest Rate	Amortization	Term
		Development Cost				
RD	1,082,125	32.69%	1.75%	30	30	
CDBG	450,000	13.59%	0.00%	0	0	
CD Planning Grant (completed)	60,000	1.81%	0.00%	0	0	
VHCB	500,000	15.10%	0.00%	0	0	
VHFA (completed)	900,000	27.19%	3.45%	30	15	
Congressionally Designated Spending	200,000	6.04%	0.00%	0	0	
Lindale Reserves	110,947	3.35%	0.00%	0	0	
Middlebury RLF (completed)	7,500	0.23%	0.00%	0	0	
TOTAL SOURCES	3,310,572	100.00%				

USES		
Acquisition	875,487	26.45%
Construction Hard Costs	1,575,889	47.60%
Soft Costs	859,196	25.95%
TOTAL USES	3,310,572	100%
(Gap)	(1)	



13-Jul-21

Lindale Community Septic Proforma

Sources and Uses

	Budget	Per Unit	RD	CDBG	CDBG Planning	VHCB	Lindale Reserves	VHFA	CDS	Middlebury RLF
ACQUISITION										
Land	110,000	1,642						110,000		
Refinance	755,487	11,276						755,487		
Inspection	0	0								
Property Appraisal		0								
Boundary Survey	6,000	90	6,000							
Legal - Title and Recording	4,000	60						4,000		
Subtotal - Acquisition	875,487	13,067	6,000	0	0	0	0	869,487	0	0
CONSTRUCTION HARD COSTS										
4" SDR35 PVC - Sewer Service	124,800	1,863	124,800							0
8" SDR35 PVC - Sewer Main	144,000	2,149	144,000							
Sewer Manhole (15)	60,000	896	60,000							
Wastewater Pump Station	150,000	2,239	51,729	21,775		76,496				
20,000 Septic Storage	50,000	746	50,000							
Service Cleanouts (67)	25,000	373							25,000	
Pavement Restoration	175,000	2,612							175,000	
Gravel Driveway Restoration	175,000	2,612		175,000						
2" Force Main	20,800	310		20,800						
2" SDR21 pipe	20,000	299		20,000						
Crushed Stone	53,333	796		53,333						
Clearing and Stumping	50,000	746		50,000						
Excavate and Trucking	44,000	657		9,092		34,908				
Topsoil Seed and Mulch	93,750	1,399	3,062			90,688			0	
Mob-Demobe	15,000	224	15,000							
General Conditions and Miscellaneous	112,558	1,680	29,058	83,500					0	
Construction Contingency (20%)	262,648	3,920	262,648						0	
Subtotal - Hard Costs	1,575,889	23,521	740,297	433,500	0	202,092	0	0	200,000	0
SOFT COSTS										
Preliminary Design - Feas Study	36,079	538			33,288					2,791
Engineering Services										
Final Design	31,610	472	31,610							



Field Services	25,835	386	25,835							
Basic Services	52,880	789	52,880							
Permitting Assistance	16,510	246	16,510							
Engineering Construction Phase	123,165	1,838	123,165							
Groundwater monitoring wells	16,500	246		16,500						
Relocation allowance (temporary)	6,000	90	6,000							
NEPA Environmental Review	5,000	75	5,000							
Permits/Fees	25,000	373	25,000							
Income Survey	2,000	30	2,000							
Project Management/Grant Administration	45,832	684	33,000	10,212						2,620
Legal	6,000	90				6,000				
Phase I ESA Update	2,200	33	2,200							
Archeological Resource Assessment	2,089	31								2,089
VCDP General Administration	16,500	246		16,500						
Capital Needs Assessment (post construction)	5,628	84	5,628							
Soft Costs Contingency (10%)	42,408	633				42,408				
FINANCING AND SYNDICATION COSTS										
Devel fee	234,500	3,500				234,500				
Permanent Loan Fees and Expenses	17,500	261						17,500		
Construction Loan Fees and Expenses	7,000	104	7,000							
RESERVES										
Working Capital	13,013	194						13,013		
Deficit Reserve	0	0								
Other: Operating Reserves	15,000	224				15,000				
15 yr Deficit Reserve	0	0								
Replacement Reserves Initial	110,947	1,656					110,947			
Subtotal - Soft Costs	859,196	12,824	335,828	16,500	60,000	297,908	110,947	30,513	0	7,500
TOTAL DEVELOPMENT COSTS	3,310,572	49,412	1,082,125	450,000	60,000	500,000	110,947	900,000	200,000	7,500

13-Jul-21

Rent and Income Summary

Rent Summary

Type	Type	Average Square Feet	Number	Average Rent	Resident Paid Utilities	Resident Total Lot Costs	Total Annual Rent
Lots Owner Occupied	Member		67	355		355	285,420
Lots Owner Occupied	Member						
Lots Owner Occupied	Non-member						0
Totals			67				285,420
Grand Totals			67				285,420
Less Vacancy			5.00%				(14,271)
Less Bad Debt			1.00%				
Less Discounts			0.00%				
							<u>NET RENT</u>
							<u>271,149</u>
OTHER INCOME							
Garage Rents							
Application Fee Income							
Interest Income							
Late Fee Income							
Other							
							<u>TOTAL INCOME</u>
							<u>271,149</u>

13-Jul-21

Lindale Community Septic Proforma

	Annual	Monthly	Per Unit Per Month	PUPY	
Administration					
Management Fee	44,290	3,691	55	661	
Park Manager	4,128	344	5	62	
Audit	3,000	250	4	45	
Legal	3,000	250	4	45	
Technology	2,500	208	3	37	<i>Software liscence fees including SCADA</i>
Advertising	200	17	0	3	
CNA Impl.	0	0	0	0	
Water System Operator	8,040	670	10	120	<i>Carried in Management Fee above</i>
WW System Operator	12,500	1,042	16	187	<i>From 10/19 OCE Feasibility Study</i>
Contract Services	1,200	100	1	18	
Office Supplies	150	13	0	2	
Other	100	8	0	1	
Other	0	0	0	0	
TOTAL ADMINISTRATIVE	79,108	6,592	98		
Utilities					
Electricity	3,700	308	5	55	<i>Add for pumpstation costs (heat and power)</i>
Water	13,000	1,083	16	194	
Sewer	0	0	0	0	
Heat/Fuel	0	0	0	0	
Other	0	0	0	0	
TOTAL UTILITIES	16,700	1,392	21		
Maintenance					
Septic Pumping	5,000	417	6	75	<i>for new system</i>
Sewer Repairs	750	63	1	11	<i>Assuming new system</i>
Sewer Testing	1,500	125	2	22	<i>for new system</i>
Water Repairs	1,000	83	1	15	
Water Testing	1,000	83	1	15	
Trash Removal	13,500	1,125	17	201	
Snow Removal	6,500	542	8	97	
Grounds/Roads	5,000	417	6	75	<i>new system install will include new roads</i>
Maint/Repairs	1,000	83	1	15	
Roads		0	0	0	
TOTAL MAINTENANCE	35,250	2,938	44		
Real Estate Taxes	35,000	2,917	44	522	
Property Insurance	3,500	292	4	52	
Replacement Reserves Cont.	25,000	2,083	31	373	
State Tax/Lot Fee	825	69	1	12	
TA	0	0	0	0	
1st Mortgage VHFA	48,196	4,016	60	719	
2nd VEDA	6,140	512			
RD Utilities Loan	8,696	725	11	130	
TOTAL OPERATING EXPENSE	258,415	21,535	321		

13-Jul-21	Lindale Community Septic Proforma					PRO FORMA					
Year	1	2	3	4	5	6	7	8	9	10	
Operating Income											
Gross Rent and Other Income	1.5%	285,420	317,580	322,344	327,179	332,087	337,068	342,124	347,256	352,465	357,752
Vacancy and other losses	5.0%	(14,271)	(15,879)	(16,117)	(16,359)	(16,604)	(16,853)	(17,106)	(17,363)	(17,623)	(17,888)
Total Operating Income		271,149	301,701	306,227	310,820	315,482	320,214	325,018	329,893	334,841	339,864
Operating Expenses											
Total Expenses (excl. Reserves)	3.0%	170,383	175,494	180,759	186,182	191,768	197,521	203,446	209,550	215,836	222,311
Reserves Contribution		25,000	25,375	25,756	26,142	26,534	26,932	27,336	27,746	28,162	28,585
Total Operating Expense		195,383	200,869	206,515	212,324	218,302	224,453	230,782	237,296	243,998	250,896
Net Operating Income		75,766	100,832	99,712	98,496	97,181	95,762	94,235	92,597	90,843	88,968
Less Primary Debt Service(Refi)		48,196	48,196	48,196	48,196	48,196	48,196	48,196	48,196	48,196	48,196
Less Secondary Debt Service (VEDA)		6,140	6,140	6,140	6,140	6,140	6,140	6,140	6,140	6,140	6,140
Less Tertiary Debt Service (RD)			8,696	8,696	8,696	8,696	8,696	8,696	8,696	8,696	8,696
Annual Cash Flow		21,430	37,800	36,680	35,464	34,149	32,730	31,203	29,565	27,811	25,936
Operating Subsidies / Sinking Fund		0	0	0	0	0	0	0	0	0	0
Net Cash Flow		21,430	37,800	36,680	35,464	34,149	32,730	31,203	29,565	27,811	25,936
DCR-1st		157.20%	209.21%	206.89%	204.37%	201.64%	198.69%	195.53%	192.13%	188.49%	184.60%
DCR- all		139.44%	159.97%	158.19%	156.26%	154.18%	151.93%	149.50%	146.91%	144.12%	141.15%
Cumulative Cash Flow											
Beginning Balance			21,537	59,741	97,202	133,815	169,472	204,060	237,460	269,548	300,193
Deposits		21,430	37,800	36,680	35,464	34,149	32,730	31,203	29,565	27,811	25,936
Interest	1.0%	107	404	781	1,149	1,509	1,858	2,197	2,522	2,835	3,132
Cumulative Replacement Reserves											
Reserve Balances		110,947	127,181	143,955	161,279	179,165	197,623	216,666	196,305	216,153	236,618
Deposits		25,000	25,375	25,756	26,142	26,534	26,932	27,336	27,746	28,162	28,585
Interest	1.0%	1,234	1,399	1,568	1,744	1,924	2,111	2,303	2,102	2,302	2,509
Withdrawals		10,000	10,000	10,000	10,000	10,000	10,000	50,000	10,000	10,000	10,000
Ending Balance		127,181	143,955	161,279	179,165	197,623	216,666	196,305	216,153	236,618	257,712

11	12	13	14	15	16	17	18	19	20
363,118	368,565	374,093	379,704	385,400	391,181	397,049	403,004	409,049	415,185
(18,156)	(18,428)	(18,705)	(18,985)	(19,270)	(19,559)	(19,852)	(20,150)	(20,452)	(20,759)
344,962	350,136	355,388	360,719	366,130	371,622	377,196	382,854	388,597	394,426
228,981	235,850	242,925	250,213	257,720	265,451	273,415	281,617	290,066	298,768
29,014	29,449	29,890	30,339	30,794	31,256	31,725	32,201	32,684	33,174
257,994	265,299	272,816	280,552	288,513	296,707	305,139	313,818	322,749	331,941
86,968	84,838	82,573	80,167	77,617	74,915	72,057	69,037	65,848	62,485
48,196	48,196	48,196	48,196	48,196	48,196	48,196	48,196	48,196	48,196
6,140	6,140	6,140	6,140	6,140	6,140	6,140	6,140	6,140	6,140
8,696	8,696	8,696	8,696	8,696	8,696	8,696	8,696	8,696	8,696
23,936	21,806	19,540	17,135	14,585	11,883	9,025	6,005	2,816	(547)
0	0	0	0	0	0	0	0	0	547
23,936	21,806	19,540	17,135	14,585	11,883	9,025	6,005	2,816	0
180.45%	176.03%	171.33%	166.34%	161.04%	155.44%	149.51%	143.24%	136.63%	129.65%
137.97%	134.59%	131.00%	127.18%	123.14%	118.85%	114.32%	109.53%	104.47%	100.00%
329,261	356,609	382,090	405,549	426,825	445,751	462,151	475,843	486,636	494,332
23,936	21,806	19,540	17,135	14,585	11,883	9,025	6,005	2,816	0
3,412	3,675	3,919	4,141	4,341	4,517	4,667	4,788	4,880	4,943
257,712	279,448	301,838	324,896	308,636	332,670	357,409	382,866	409,056	435,994
29,014	29,449	29,890	30,339	30,794	31,256	31,725	32,201	32,684	33,174
2,722	2,942	3,168	3,401	3,240	3,483	3,733	3,990	4,254	4,526
10,000	10,000	10,000	50,000	10,000	10,000	10,000	10,000	10,000	50,000
279,448	301,838	324,896	308,636	332,670	357,409	382,866	409,056	435,994	423,693

13-Jul-21

Lindale Community Septic Proforma

Amortization Schedules

RD

assume that grant is \$876,000

PRINCIPAL	1,079,000
INTEREST	1.75%
AMORTIZATION PERIOD	30
TERM	30
With Poverty Level Principal Forgiveness 45%	202,852
MONTHLY PAYMENT	725
ANNUAL PAYMENT	8,696

YEAR	1	2	3	4	5	6	7	8	9
BEGINNING BALANCE	202,852	197,664	192,385	187,013	181,546	175,982	170,320	164,559	158,696
ENDING BALANCE	197,664	192,385	187,013	181,546	175,982	170,320	164,559	158,696	152,729
PRINCIPAL	5,188	5,279	5,372	5,467	5,564	5,662	5,762	5,863	5,967
INTEREST	3,508	3,417	3,324	3,229	3,133	3,034	2,935	2,833	2,729
TOTAL PAID	8,696	8,696	8,696	8,696	8,696	8,696	8,696	8,696	8,696

Refi Scenario - VHFA

PRINCIPAL	900,000
INTEREST	3.45%
AMORTIZATION PERIOD	30
TERM	15
MONTHLY PAYMENT	4,016
ANNUAL PAYMENT	48,196

YEAR	1	2	3	4	5	6	7	8	9
BEGINNING BALANCE	900,000	882,580	864,550	845,888	826,572	806,578	785,884	764,465	742,294
ENDING BALANCE	882,580	864,550	845,888	826,572	806,578	785,884	764,465	742,294	719,347
PRINCIPAL	17,420	18,030	18,662	19,316	19,993	20,694	21,419	22,170	22,947
INTEREST	30,776	30,166	29,534	28,880	28,203	27,502	26,776	26,026	25,249
TOTAL LOAN	48,196	48,196	48,196	48,196	48,196	48,196	48,196	48,196	48,196
TOTAL PAID AFTER SUBSIDY	0	0	0	0	0	0	0	0	0

13-Jul-21

RD

assume that grant is \$876,000

PRINCIPAL
 INTEREST
 AMORTIZATION PERIOD
 TERM

With Poverty Level Principal Forgiveness 45%

MONTHLY PAYMENT
 ANNUAL PAYMENT

YEAR	10	11	12	13	14	15	16	17	18	19
BEGINNING BALANCE	152,729	146,657	140,478	134,190	127,791	121,279	114,653	107,909	101,047	94,063
ENDING BALANCE	146,657	140,478	134,190	127,791	121,279	114,653	107,909	101,047	94,063	86,956
PRINCIPAL	6,072	6,179	6,288	6,399	6,512	6,627	6,744	6,863	6,984	7,107
INTEREST	2,624	2,517	2,408	2,297	2,184	2,069	1,953	1,834	1,712	1,589
TOTAL PAID	8,696	8,696	8,696	8,696	8,696	8,696	8,696	8,696	8,696	8,696

Refi Scenario - VHFA

PRINCIPAL
 INTEREST
 AMORTIZATION PERIOD
 TERM
 MONTHLY PAYMENT
 ANNUAL PAYMENT

YEAR	10	11	12	13	14	15	16	17	18	19
BEGINNING BALANCE	719,347	695,595	671,011	645,565	619,228	591,967	0	0	0	0
ENDING BALANCE	695,595	671,011	645,565	619,228	591,967	0	0	0	0	0
PRINCIPAL	23,752	24,584	25,446	26,338	27,261	591,967	0	0	0	0
INTEREST	24,444	23,612	22,750	21,858	20,935	19,979	0	0	0	0
TOTAL LOAN	48,196	48,196	48,196	48,196	48,196	611,946	0	0	0	0
TOTAL PAID AFTER SUBSIDY	0	0	0	0	0	0	0	0	0	0

13-Jul-21

RD

assume that grant is \$876,000

PRINCIPAL
INTEREST
AMORTIZATION PERIOD
TERM

With Poverty Level Principal Forgiveness 45%

MONTHLY PAYMENT
ANNUAL PAYMENT

YEAR	20	21	22	23	24	25	26	27	28	29
BEGINNING BALANCE	86,956	79,724	72,364	64,874	57,253	49,497	41,604	33,571	25,397	17,079
ENDING BALANCE	79,724	72,364	64,874	57,253	49,497	41,604	33,571	25,397	17,079	8,614
PRINCIPAL	7,232	7,360	7,490	7,622	7,756	7,893	8,032	8,174	8,318	8,465
INTEREST	1,464	1,336	1,206	1,074	940	803	664	522	378	231
TOTAL PAID	8,696	8,696	8,696	8,696	8,696	8,696	8,696	8,696	8,696	8,696

Refi Scenario - VHFA

PRINCIPAL
INTEREST
AMORTIZATION PERIOD
TERM
MONTHLY PAYMENT
ANNUAL PAYMENT

YEAR	20	21	22	23	24	25	26	27	28	29
BEGINNING BALANCE	0	0	0	0	0	0	0	0	0	0
ENDING BALANCE	0	0	0	0	0	0	0	0	0	0
PRINCIPAL	0	0	0	0	0	0	0	0	0	0
INTEREST	0	0	0	0	0	0	0	0	0	0
TOTAL LOAN	0	0	0	0	0	0	0	0	0	0
TOTAL PAID AFTER SUBSIDY	0	0	0	0	0	0	0	0	0	0

13-Jul-21

RD

assume that grant is \$876,000

PRINCIPAL
INTEREST
AMORTIZATION PERIOD
TERM

With Poverty Level Principal Forgiveness 45%

MONTHLY PAYMENT
ANNUAL PAYMENT

YEAR	30
BEGINNING BALANCE	8,614
ENDING BALANCE	0
PRINCIPAL	8,614
INTEREST	82
TOTAL PAID	8,696

Refi Scenario - VHFA

PRINCIPAL
INTEREST
AMORTIZATION PERIOD
TERM
MONTHLY PAYMENT
ANNUAL PAYMENT

YEAR	30
BEGINNING BALANCE	0
ENDING BALANCE	0
PRINCIPAL	0
INTEREST	0
TOTAL LOAN	0
TOTAL PAID AFTER SUBSIDY	0
