

PROJECT FINANCIALS,
TOWN BENEFITS,
AND FAQs

SOURCES AND USES

PREDEVELOPMENT COSTS		
Building & Acquisition Cost		\$ 22,000
Design		
Architect + MEP + Fire + Struct + Hist.		\$ 150,000
Civil Engineering		\$ 40,000
Environmental Engineering		\$ 15,000
Geotech		\$ 10,000
Survey		\$ 10,000
Landscape		\$ 25,000
Code Review		\$ 10,000
Preconstruction Estimator		\$ 10,000
Financing		
Bank Appraisal		\$ 5,000
Bank Engineer		\$ 5,000
Bank Commitment/Closing Fee		\$ 10,000
Legal		
General Legal All In		\$ 20,000
Reimbursable (includes printing)		\$ 10,000
Project Accounting		\$ 5,000
Insurance		\$ 5,000
Other Consultants		\$ 25,000
Project Management Fee		\$ 50,000
Permits		\$ 50,000
Subtotal Soft Costs		\$ 455,000
Soft Cost Contingencies	10%	\$ 45,000
Total Pre-Development Project Cost		\$500,000

SOURCES OF FUNDS		
Senior Financing	30%	\$2,500,000
* Town of Weston Grant (Up To)	50%	\$4,135,313
Deferred Developer Fee	14%	\$1,135,313
Investor Equity	6%	\$500,000
TOTAL SOURCES		\$8,270,625

USES OF FUNDS		
Building + Acquisition Cost		
Total		\$22,000
Total Construction Cost + Contingency		
Construction Hard Cost		\$4,900,000
Contingency	10%	\$490,000
Total Construction		\$5,390,000
Soft Cost		
Design		
Architect + MEP + Fire + Struct		\$200,000
Historic Consultant		\$50,000
Civil Engineering		\$60,000
Environmental Engineering		\$15,000
Geotech		\$10,000
Survey		\$15,000
Landscape		\$50,000
Code Review		\$10,000
Preconstruction Estimator		\$10,000
Financing		
Bank Appraisal		\$10,000
Bank Engineer		\$20,000
Bank Commitment/Closing Fee		\$25,000
Construction Interest		\$150,000
Legal		
General Legal All In		\$50,000
Property Tax		\$0
Reimbursable (includes printing)		\$25,000
Carrying Costs Post Construction Lease Up		\$100,000
Project Accounting		\$50,000
Marketing		\$25,000
Clerk		\$60,000
Insurance		\$25,000
Other Consultants		\$50,000
Liquor Licenses		\$35,000
Permits		\$50,000
Subtotal Soft Costs		\$1,095,000
Soft Cost Contingencies	10%	\$109,500
Total Soft Cost		\$1,204,500
Developer Fee/Profit	20%	\$1,654,125
Total Project Cost		\$8,270,625

Projected Income (including CPA Funds)			
Condo	Gross Sqft	\$ per Sqft	Total
Residential (4 units)	7740	\$ 336.43	\$ 2,604,000
Bed & Breakfast	5416	\$ 128.79	\$ 697,500
Restaurant (including optional mezzanine)	2282	\$ 190.68	\$ 435,124
CPA Fund Grant			\$ 4,135,313
Total			\$ 7,871,937

PROFIT SHARING BREAKDOWN		
Total Projected Income	Total Project Cost	50/50 Profit Sharing
\$7,871,937	\$8,270,625	\$8,270,625+

* Income from the sale of four residential condos, café/restaurant and bed and breakfast in excess of \$8,270,625 will be split 50/50 between the Town of Weston and Weston 358 LLC.

* Any difference between Total Project Cost and Total Projected Income will be deducted from Weston 358 LLC Developers Fee.

* Proposal by Weston 358 LLC called for the Town of Weston to contribute 50% of the Total Project Cost

SUMMARY OF PROJECT FINANCIALS

PROJECT COSTS		
Construction Costs (approx. \$270/sf @ 20k sf building)		\$5,412,000
Soft Costs		\$1,204,500
Developer Fee		\$1,654,125
Total Costs		\$8,270,625

SOURCES OF FUNDS		
Senior Financing	30%	\$2,500,000
Town of Weston Grant (Up To)	50%	\$4,135,313
Deferred Developer Fee	14%	\$1,135,313
Investor Equity	6%	\$500,000
TOTAL SOURCES		\$8,270,625

* Our Proposal splits the costs of the Re-use project 50/50 between Urbanica and the Town of Weston

Developer Fee Breakdown		
Project Management Cost	Annual	\$150,000
Overhead and Profit	Annual	\$150,000
Cost of Equity	Annual	\$100,000
Built in Contingency	Annual	\$13,531
Number of years until Completion		4
Total Developer Fee	Total	\$1,654,125

TOWN CONSULTANT'S CONSTRUCTION COST ANALYSIS

Scenario 3

Project Name: Old Library For Sale Condominium Housing/No Historic Tax Credits
 Location: Old Library, Weston
 Date: 3.18.11

Number of Condominiums: 4
 Total Livable Area (sf): 6,970
 Average Unit Area (sf): 1,743
 Gross Square Feet Total: 8,004

Construction: Public rate of \$289/sf reduced by 20% for private bid. No prevailing wages. Some premium for condos totaling \$245/sf
 Acquisition: sold for \$1 to private or non profit owner/developer
 Market: Spectacular living space but limited privacy. Sell as condos in at \$400/sf or \$697,000 per unit or higher
 Public use: This assumes all private use, but public use could be incorporated at some further cost

Operating Proforma						
Description	No. of Bedrooms	No. of Units	Per Unit For Sale Value/PSF	Per Unit Sale Value	Total Yearly Rental Income	Comments
Market	2	4	400	697,000	2,788,000	
Total Number of Units					4	
Projected Gross Income					2,788,000	

Uses:	Assumption	Total	Per Unit
Construction Costs:			
Buildings (Including bond costs and contractor paid permits)	8,004 gsf \$245 PSF	\$1,960,980	
Site Improvements/Environmental		250,000	
Subtotal		\$2,210,980	
Construction Contingency	10.0%	221,098	
Total Construction Costs		\$2,432,078	
Acquisition Costs:			
Land	0 per/unit	\$0	
Total Acquisition Costs		\$0	
Development Costs:			
Architectural, Landscape, Building Engineering	10%	\$243,208	\$220,000
Other Owner Consultants		20,000	20,000
Civil Engineer		30,000	30,000
Environmental	undefined	20,000	20,000
Survey		3,500	3,500
Testing and Inspection		5,000	5,000
Permits & Fees	\$10/1000	20,000	20,000
Borrower's Legal	Terms, financing, closing	50,000	50,000
Title and Recording		10,000	10,000
Appraisal/Market Study		7,500	7,500
Construction Lender Fees	1.5 points	210,000	30,000
Construction Period Loan Interest	92.31	90,000	90,000
Property Insurance		10,000	10,000
Audit/Cost Certification		3,000	3,000
Marketing Expenses		60,000	60,000
Brokerage at 5%	0.05	139,400	139,400
Real Estate Taxes During Construction		0	0
Operating and other reserves		25,000	25,000
Soft Cost Contingency	30.5%	36,000	36,000
Total Development Costs (soft)		\$779,400	
Total Uses:		\$3,211,478	

Total Project Costs Before Developer's Fee and Overhead	\$3,211,478
Profit/developer fee	\$625,000
Profit as % of costs	19.5%
Total Development Costs	\$3,836,478
Total Sources	2,788,000
Surplus (deficit)	(1,048,478)

Scenario 4

Project Name: Barn Office/Retail Rental
 Location: Weston, MA
 3.18.11

Total Rentable Area (sf): 6,970
 Total Gross Square Feet: 8,500

Construction: No prevailing wages. Simpler rehabilitation than Old Library thus projected cost of \$200/sf
 Acquisition: sold for \$1 to private or non profit owner/developer
 Market: Assuming \$28/sf for retail or office, or restaurant
 Public use: This assumes all private use, but public use could be incorporated at some further cost

Operating Proforma					
Description	SE	No. of Units	Per SE Rent	Per Unit Yearly Rent	Total Yearly Rental Income
Market					
1st floor office	5,491	1	\$ 28	153,748	153,748
Basement level	1,794	1	\$ 5	8,968	8,968
Total Number of Units					
Projected Gross Income					162,716
Vacancy (5%)					(8,136)
Effective Gross Income					154,580
Operating Expenses (net of resident paid utilities)					tenants pay utils
Net Operating Income					124,580
Debt Service Coverage Ratio					1.25
Maximum Annual Mortgage Payment					99,664
Interest Rate					6.50%
Amortization Term (Years)					30
Maximum Mortgage Based on NOI					1,301,477
Cap Rate					5.00%
Value Based Upon Cap Rate					1,661,063

Sources and Uses			
Source	Comments	Assumption	Total
Sources:			
Federal Historic tax credit	20% credit @ \$5.89 raise	488,074	
State Historic Tax Credit	20% credit @ \$5.82 raise	449,686	
Weston CPA			
Permanent Debt		1,301,477	
Total Sources		2,239,238	
Uses:			
Construction Costs:			
Buildings (Including bond costs and contractor paid permits)		8,500 gsf \$200 PSF	\$1,700,000
Site Improvements/Environmental			250,000
Subtotal			\$1,950,000
Construction Contingency		10.0%	195,000
Total Construction Costs			\$2,145,000
Acquisition Costs:			
Land		0 per/unit	\$0
Total Acquisition Costs			\$0
Development Costs:			
Architectural, Landscape, Building Engineering		8%	156,000
Other Owner Consultants			20,000
Civil Engineer			20,000
Environmental			10,000
Survey			5,000
Testing and Inspection			5,000
Permits & Fees		\$10/1000	16,490
Borrower's Legal			65,000
Title and Recording			10,000
Appraisal/Market Study			7,500
Construction Lender Fees		19,522	16,000
Construction Period Loan Interest		59,373	55,000
Property Insurance			10,000
Audit/Cost Certification			3,000
Marketing Expenses			25,000
Real Estate Taxes During Construction			5,000
Operating and other reserves			25,000
Soft Cost Contingency		5%	23,600
Total Development Costs (soft)			\$471,990
Total Uses:			\$2,616,990

Total Project Costs Before Developer's Fee and Overhead	\$2,616,990
Profit/developer fee	\$525,000
Profit as % of costs	20.1%
Total Development Costs	\$3,141,990
Total Sources	2,239,238
Surplus (deficit)	(902,752)

Scenario 6

Project Name: JST Office/Retail/Restaurant Rental 1st and 2nd Floor
 Location: Weston, MA
 3.18.11

Total Rentable Area (sf): 5,000
 Total Gross Square Foot: 6,500

Construction: No prevailing wages but expensive historic requirements and elevator needed: \$350/sf
 Acquisition: sold for \$1 to private or non profit owner/developer
 Market: Assuming \$25/sf for retail or office, or restaurant
 Public use: This assumes all private use, but public use could be incorporated at some further cost

Operating Proforma					
Description	SE	No. of Units	Per SE Rent	Per Unit Yearly Rent	Total Yearly Rental Income
Market					
1st and 2nd floor	5,000	1	\$ 25	125,000	125,000
Total Number of Units					
Projected Gross Income					125,000
Vacancy (5%)					(6,250)
Effective Gross Income					118,750
Operating Expenses (net of resident paid utilities)					tenants pay utils
Net Operating Income					88,750
Debt Service Coverage Ratio					1.25
Maximum Annual Mortgage Payment					71,000
Interest Rate					6.50%
Amortization Term (Years)					30
Maximum Mortgage Based on NOI					927,166
Cap Rate					7.50%
Value Based Upon Cap Rate					1,183,333

Sources and Uses			
Source	Comments	Assumption	Total
Sources:			
Federal Historic tax credit	20% credit @ \$5.89 raise	651,544	
State Historic Tax Credit	20% credit @ \$5.82 raise	581,872	
Weston CPA			
Permanent Debt		927,166	
Total Sources		2,140,582	
Uses:			
Construction Costs:			
Buildings (Including bond costs and contractor paid permits)		6,500 gsf \$350 PSF	\$2,275,000
Site Improvements/Environmental			250,000
Subtotal			\$2,525,000
Construction Contingency		10.0%	252,500
Total Construction Costs			\$2,777,500
Acquisition Costs:			
Land		0 per/unit	\$0
Total Acquisition Costs			\$0
Development Costs:			
Architectural, Landscape, Building Engineering		8%	202,000
Other Owner Consultants			20,000
Civil Engineer			20,000
Environmental			10,000
Survey			5,000
Testing and Inspection			5,000
Permits & Fees		\$10/1000	15,000
Borrower's Legal			50,000
Title and Recording			10,000
Appraisal/Market Study			7,500
Construction Lender Fees		13,907	13,000
Construction Period Loan Interest		74,823	75,000
Property Insurance			8,000
Audit/Cost Certification			3,000
Marketing Expenses			20,000
Real Estate Taxes During Construction			3,000
Operating and other reserves			25,000
Soft Cost Contingency		5%	26,025
Total Development Costs (soft)			\$528,500
Total Uses:			\$3,298,000

Total Project Costs Before Developer's Fee and Overhead	\$3,298,000
Profit/developer fee	\$650,000
Profit as % of costs	19.7%
Total Development Costs	\$3,948,000
Total Sources	2,140,582
Surplus (deficit)	(1,807,418)

Scenario 3 -
 Old Library: 4 units of Condo Housing
 \$3,836,478
 (\$625,000 developer fee)

Scenario 4 -
 Barn: Office/Retail Spaces
 \$3,141,990
 (\$525,000 developer fee)

Scenario 6 -
 JST: Office/Retail Spaces/Restaurant
 \$3,948,000
 (\$650,000 developer fee)

TOTAL
\$10,926,468
(\$1,800,000 developer fee)

CURRENT PROPERTY VALUATION

Value Conclusions			
Appraisal Premise	Real Property Interest	Date Of Value	Value Conclusion
Market Value As-Is	Fee Simple	2/20/2013	\$0
Prospective Market Value Upon Completion	Fee Simple	7/1/2014	\$4,100,000

Compiled by Cushman & Wakefield of Massachusetts, Inc.

Independant 3rd Party Appraisal by Cushman & Wakefield
Commissioned by Brookline Bank, 3/7/2013

TOWN BENEFITS

Restore Exterior and Interior of Town Treasures

- Solution for failing buildings while continuing historic nature

- Emphasis on the Town Center

- Complement other Town uses as well as residential

- Create public landscaped courtyard

Create safe spaces for WCL and WHS public use (to building code)

WHS will be able to have permanent displays

Continued availability of function hall for community gatherings (WCL new construction)

Creation of local jobs

1st Class restaurant with a great reputation will be a part of the Town Center

TOWN BENEFITS

Profits over Developer's Fee will be split 50/50 between Town and Developer

No maintenance fee and obligations for the town going forward
(Current Cost to Town \$100,000- \$120,000/ annum)

Tax and Financial Gains to the Town:

Financial Breakdown Town of Weston Benefits		
Property Tax	Annual	\$35,000
Lack of Maintenance	Annual	\$100,000
2% of Resale (5yr sale)	Annual	\$20,000
Liquor License	One-time	\$35,000
Option Fee	One-time	\$20,000

FREQUENTLY ASKED QUESTIONS

Affordable Housing

The structure of the Project is not suited for affordable housing as it increases the financing gap. Assuming there are no design constraints, it is projected to have an additional \$3 million gap.

Uncontrollable Future

Land Disposition Agreement will protect the Town until Project Completion
 Historic restrictions will survive any and all transfer of property. Other restrictions to protect the town in the future will be included in the condo by-laws.

Condominium Viability

Urbanica with 30 years of experience in building condominiums is confident in the current housing upswing. Bank appraisal approves underwriting the project

UNIT MIX										
No.	Building	Total Units	Unit (SF)	Type	Total SF	Developer's Estimates		C&W Estimates		
						Average Sale Price Per Unit	Average Sale Price (\$/SF)	Average Sale Price Per Unit	Average Sale Price (\$/SF)	Gross Sellout
5	Library	1	1,593	2 Bed/2.5 Ba	1,593	\$775,000	\$486.50	\$750,000	\$470.81	\$750,000
6	Library	1	2,056	2 Bed/2.5 Ba	2,056	\$850,000	\$413.42	\$850,000	\$413.42	\$850,000
7	Library	1	4,200	3 Bed/3 Ba	4,200	\$1,600,000	\$380.95	\$1,500,000	\$357.14	\$1,500,000
TOTAL/AVERAGE		3	2,616		7,849	\$3,225,000	\$1,232.64	\$1,033,333	\$394.95	\$3,100,000

FREQUENTLY ASKED QUESTIONS

Restaurant Viability

Dante, Filippo and Damian de Magistris will provide Weston with an exceptional quality restaurant befitting the town. The de Magistris brothers own 2 immensely successful restaurants in the neighboring towns of Belmont and Cambridge.

Why do the buildings have to be sold, rather than leased, to the developer?

Residential condominiums will face difficulty in getting bank financing under a lease agreement. Finances for the overall proposal are based on building sale. The proposal requires a Town Meeting vote to sell the buildings to Urbanica, which in turn will sell the component parts as condominiums.

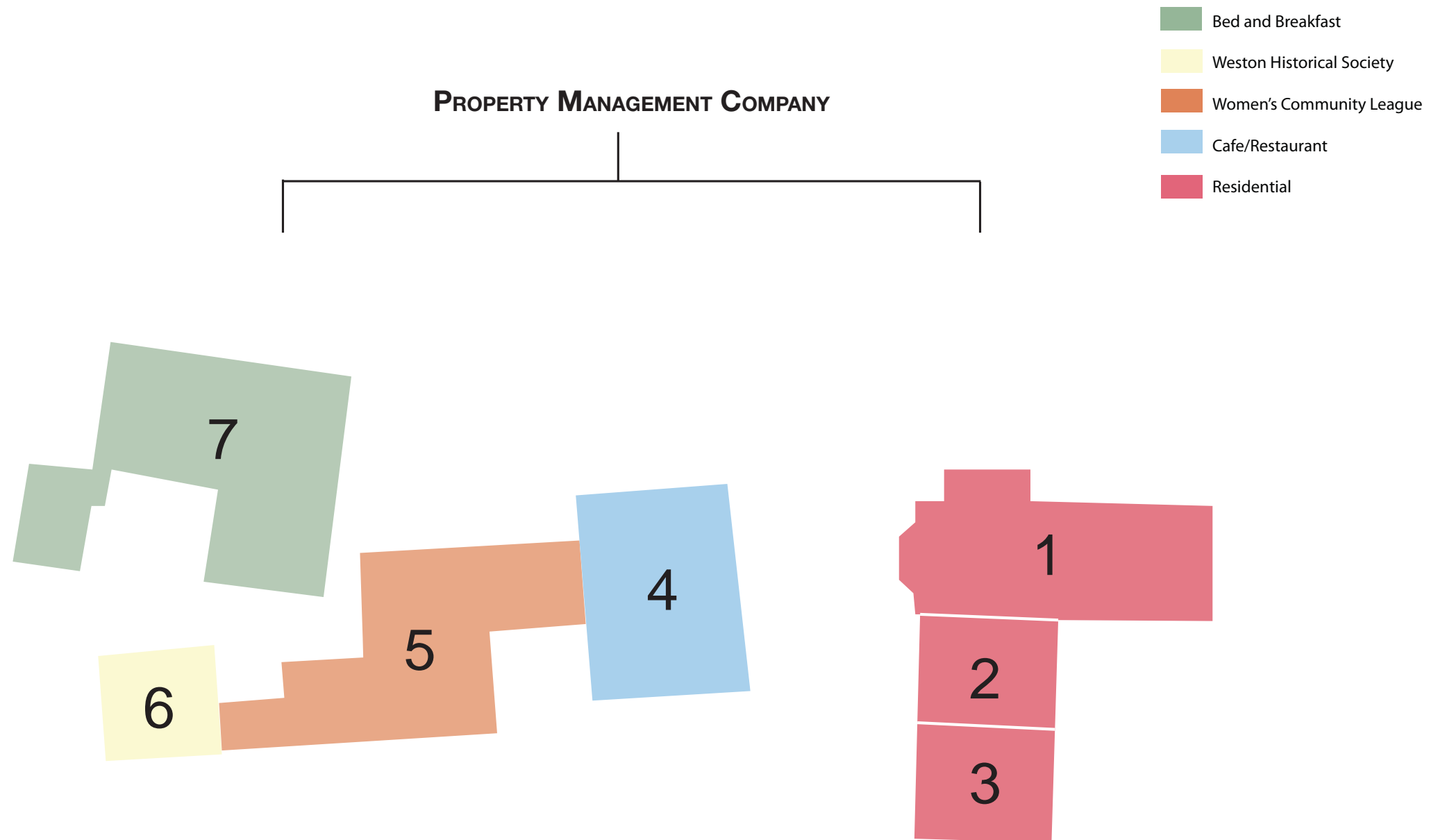
What is the justification for the high developer's fee?

Developer Fee Breakdown		
Project Management Cost	Annual	\$150,000
Overhead and Profit	Annual	\$150,000
Cost of Equity	Annual	\$100,000
Built in Contingency	Annual	\$13,531
Number of years until Completion		4
Total Developer Fee	Total	\$1,654,125

Any cost overrun/short fall in sales will be deducted from the deferred developer's fee.

FREQUENTLY ASKED QUESTIONS

Long Term Management of the Properties?



FREQUENTLY ASKED QUESTIONS

Bed and Breakfast Viability

Based on the competitive set of sales, our conversations with the development team, the location and uses surrounding the subject and finally the two best market indicators, Comp 1 and 3, we have concluded to a price of the subject's single-family home condo component of \$750,000. This opinion of value assumes the property has been rehabbed into a five bed, four bath single-family home with upgraded bathroom and kitchens, while maintaining some of the historic features including the original wood floors, smaller room layout and historic fireplace/mantles.



A. Costs Summary	
Cost to Purchase	\$ 750,000
Furniture (\$15,000 x 3 Suites)	\$ 45,000
Miscellaneous	\$ 5,000
Total Cost	\$ 800,000

B. Purchase Summary	
Down Payment	\$ 200,000
Mortgage	\$ 600,000
Total Funds	\$ 800,000
<i>Annual mortgage payment</i>	<i>\$ 39,031</i>

C. Income/Expense	Year 1	Year 2	Year 3
	50% Occupancy	60% Occupancy	70% Occupancy
3 suites x 365 days x \$/rate x % occupancy	\$ 150/rate	\$ 155/rate	\$ 160/rate
Room Expenses	\$ 82,125	\$ 101,835	\$ 122,640
Net Operating Income	\$ (30,000)	\$ 30,000	\$ (30,000)
Annual Mortgage Payment	\$ 52,125	\$ 71,835	\$ 92,640
Income (Loss)	\$ 39,031	\$ (39,031)	\$ (39,031)
	\$ 13,094	\$ 32,804	\$ 53,609

FREQUENTLY ASKED QUESTIONS

Timing of the Proposal

If the vote at the May Town Meeting is successful, Urbanica will work around the clock to ensure that the exterior Old Library improvements are started in August 2013.

Permits and approvals for the JST and connector from the Town and Historic New England will be obtained by fall of 2013.

The initial completion date for this project is scheduled for the fall of 2014.

SUPPORT THE PROJECT

May 2013 Town Meeting



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