

Wilmington Community and Economic Development Center Project Market Analysis

September 16, 2014



BreadLoaf
Architects
Planners
Builders

Wilmington Community and Economic Development Center

Background

- As a result of consolidation, Twin Valley High School was closed at the end of the 2013-2014 school year, leaving two acres and a 52,000 SF building vacant.
- Wilmington School District, who owns the property, would like to see the facility repurposed for the benefit of the community and economic development.
- **Proposed Uses Include:**
 - Private/ Governmental offices.
 - Small business incubator.
 - Community center.
 - Recreational use on site.
- **Anchor tenants who have expressed interest:**
 - Deerfield Valley Health Center
 - Supervisory Union
 - State Social Service Agencies

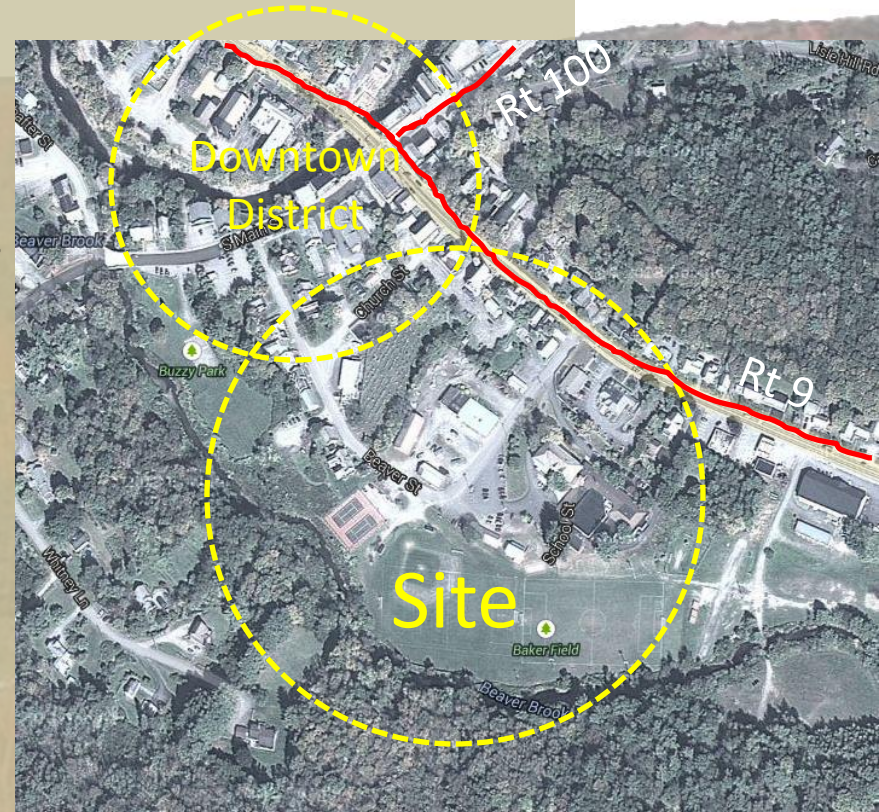


Location:

- Located in Southern Vermont in downtown district adjacent to Rt 9.
- Location has great potential for regional and community groups.
- Site could contribute to the long term goals:
 - Enhancing social network.
 - Enhancing local economy.
- Local public transportation could serve senior citizens as a gathering place with a kitchen to provide meals.

Flexibility:

- Much of the structure can be utilized 'as-is' including:
 - Gym.
 - Playing Fields.
 - Cafeteria / Kitchen.
 - Classrooms.
 - Building Fiber optic hub.



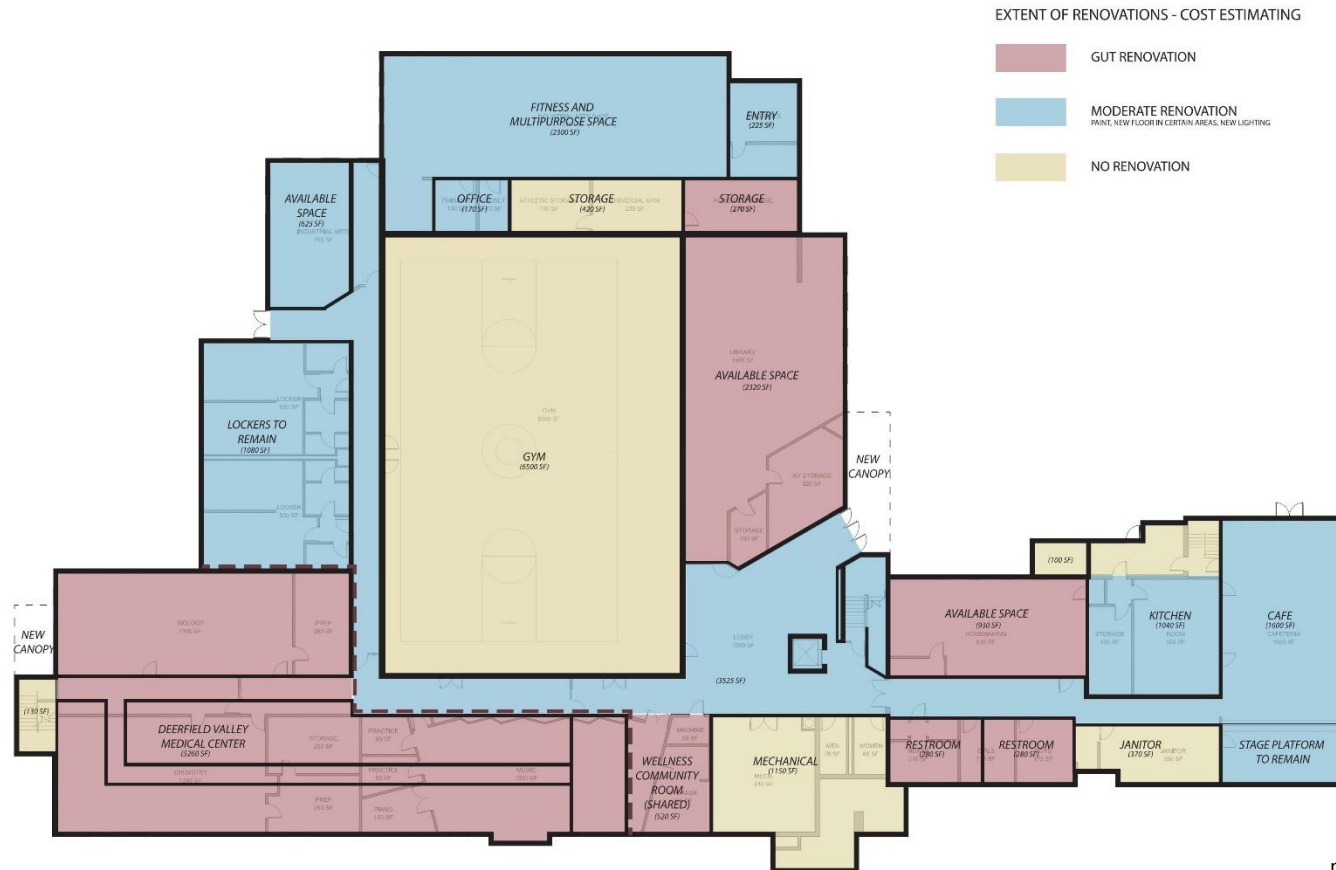
Community and Economic Development

- The great recession, which commenced in December of 2007, as well as Hurricane Irene in August of 2011, have greatly impacted the community. Many businesses already struggling were impacted and forced to close, or commence a long-term recovery process.
- Adaptive reuse of Twin Valley High School could be a catalyst for economic development.
- Development of the site will contribute toward community goals:
 - Growth in population.
 - Growth of jobs and wages.
 - Enhancement of economic and social environment.
 - It can make Wilmington a better place to live.



First Floor Plan Diagram

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The floor plan of the second floor includes the following rooms and areas:

- AVAILABLE SPACE (820 SF)**: Located on the left side of the plan.
- AVAILABLE SPACE (380 SF)**: Located in the upper middle section.
- AVAILABLE SPACE (470 SF)**: Located to the right of the 380 SF space.
- STORAGE (620 SF)**: Located below the 820 SF space.
- AVAILABLE SPACE (1640 SF)**: Located on the right side, adjacent to the 470 SF space.
- CLASSROOM (470 SF)**: Located at the top right corner.
- CLASSROOM (1150 SF)**: Located on the far right side.
- AVAILABLE SPACE (1200 SF)**: Located in the center of the plan.
- AVAILABLE SPACE (130 SF)**: Located at the bottom left, below the 620 SF storage area.
- RESTROOM (1165 SF)**: Located at the bottom right, first of two.
- RESTROOM (1165 SF)**: Located at the bottom right, second of two.

Third Floor

OPEN TO BELOW

SHARED SPACE
CLASSROOM
100 SF
AGENCY OF HUMAN RESOURCES

SHARED OFFICE SPACE
CLASSROOM
715 SF
DEERFIELD VALLEY COMM PARTNERSHIP
BRATTLEBORO DEVELOPMENT CORP

ST
130 SF

WSSU IEC
CLASSROOM
750 SF

WSSU IEC
CLASSROOM
770 SF

IT TO REMAIN
125 SF

WSSU IEC
CLASSROOM
750 SF

WSSU AUTISM
CLASSROOM
720 SF

WSSU
1110 SF

WAITING
130 SF

STORAGE
100 SF

JESSICA'S CLOSET
CLASSROOM
750 SF

RESTROOM
230 SF

RESTROOM
210 SF

FACILITY
300 SF

AVAILABLE SPACE
500 SF

BOYS
120 SF

AVAILABLE SPACE
1640 SF

CLASSROOM
470 SF

CLASSROOM
615 SF

NEW ENTRY RAMP + PLAZA









north

north

First Floor Programming Breakdown

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1ST FLOOR PROGRAMMING BREAKDOWN

	MEDICAL CENTER	5,260 SF
	GYM / LOCKER	7,580 SF
	CIRCULATION	3,655 SF
	FITNESS	2,695 SF
	TOWN	3,520 SF
	KITCHEN / CAFETERIA	2,640 SF
	MECH/STORAGE/BATH	2,180 SF
	AVAILABLE SPACE	625 SF



First Floor

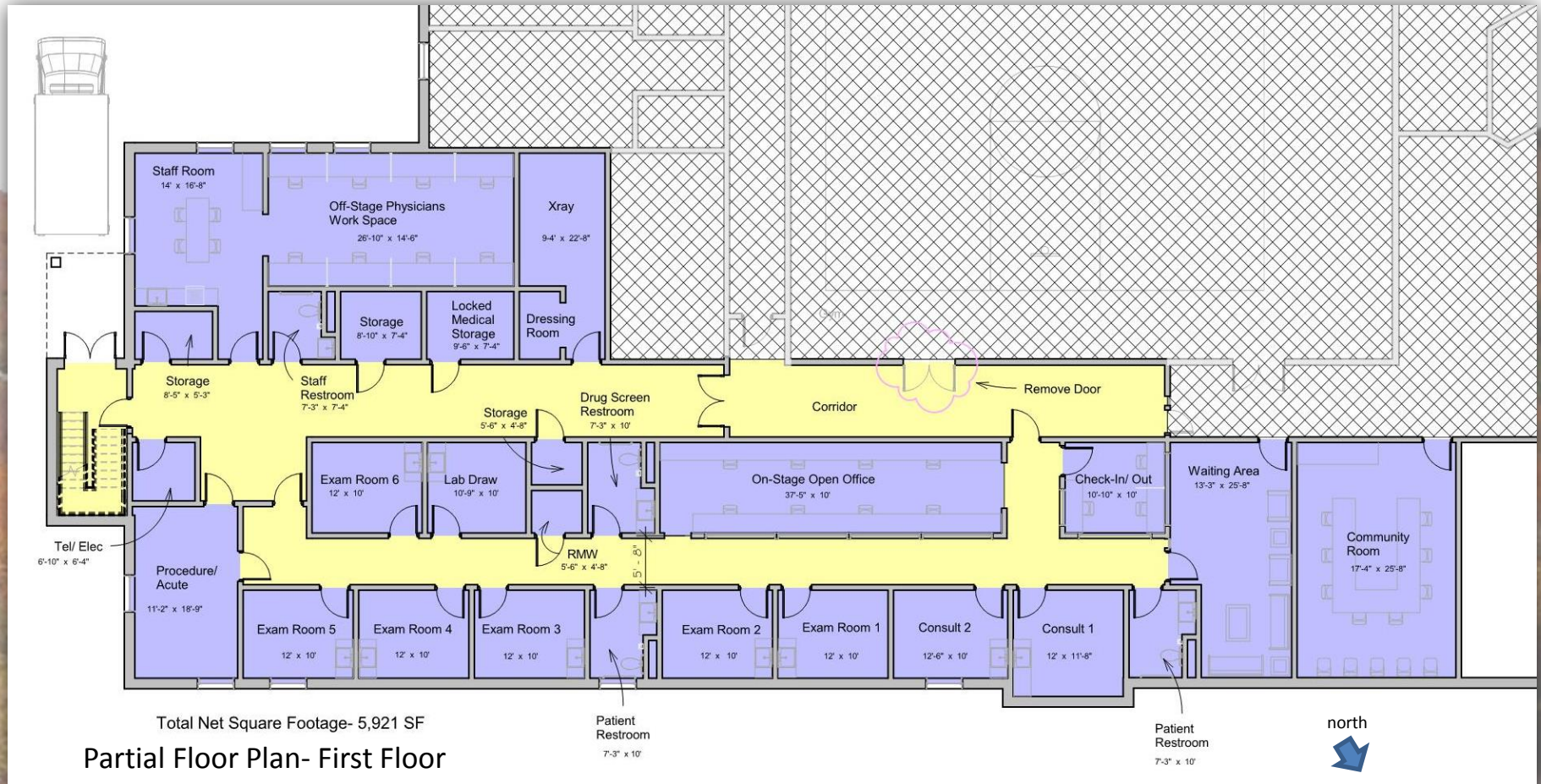


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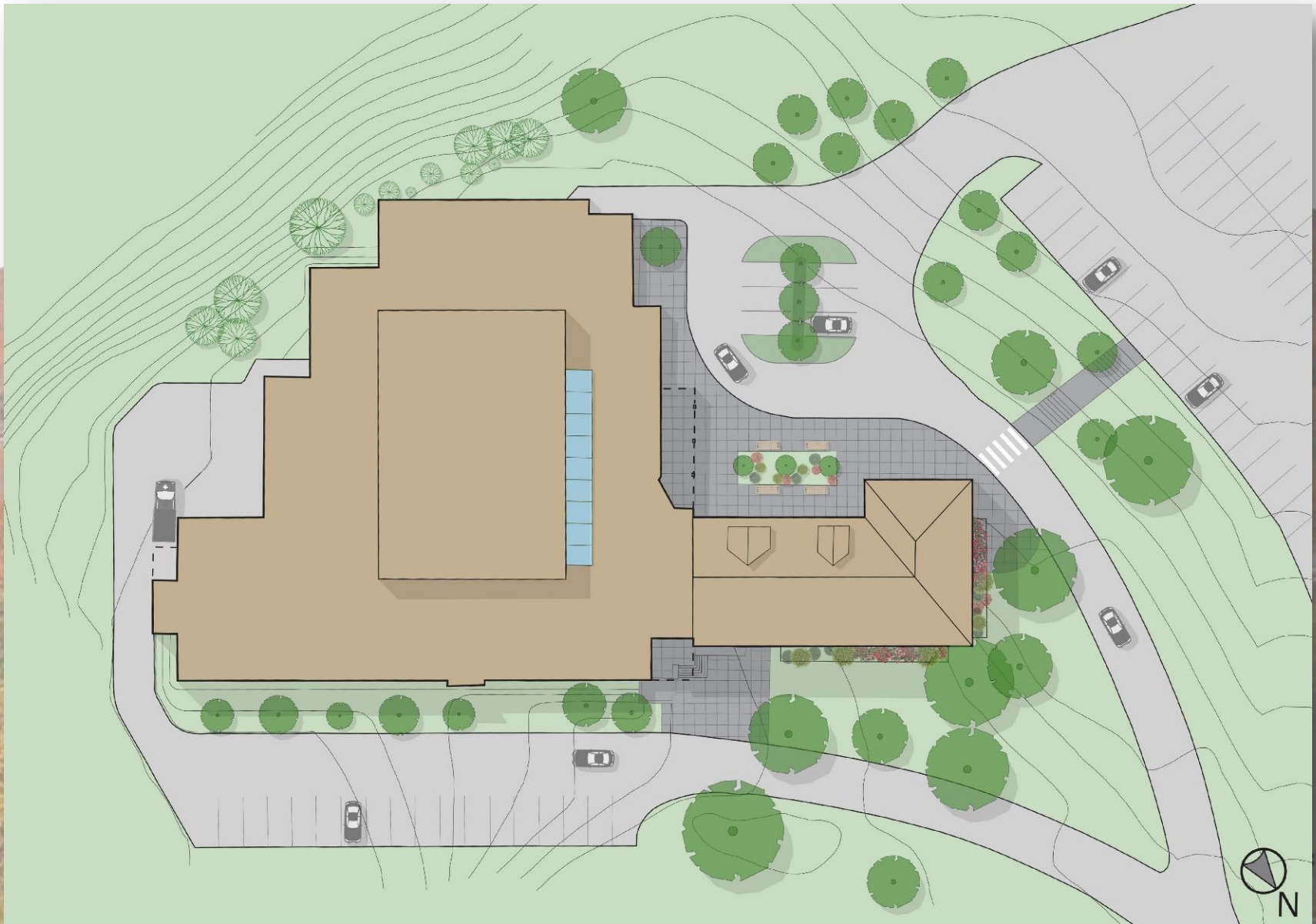
Development of Probable Cost Estimate

- **Gut Renovations: \$1,978,800**
 - Medical Center - \$789,000
 - Remaining - \$1,189,800
- **Minor Renovations: \$821,920**
- **New Construction: \$137,100**
 - New Canopy - \$45,500
 - New Entry Ramp/Plaza - \$91,600
- **No Work: \$0**
 - Gym
 - Storage
 - Mechanical Room
 - Janitor
 - Unidentified
 - Storage/IT
- **1900's Building Windows: \$313,000**
 - Window Replacement 1900's - \$179,000
 - Window Addition - \$134,000
- **1900's Building Siding and Roofing: \$169,000**
- **Total Cost Approx: \$3,419,820**



Proposed Site Plan

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Wilmington Community and Economic Development Center



Wilmington Community and Economic Development Center



Wilmington Community and Economic Development Center

Ownership and Governance

1. School Ownership (Wilmington School District)
2. Long-term lease
 - 501 (c)(3) – Non-profit
 - 501 (c)(4) – Development Authority

Town vote needed (election day) to authorize the School Board to enter into a long-term lease with a non-profit (or equivalent).

Intention of the School Board to divest the property through a long term lease to an organization that will use the building for the purposes of increasing access to health, wellness, community, and recreational services, as well as economic development opportunities.

The new organization will become the Development Authority and Center Manager/Operator to take ownership and responsibility for the building.

Intent for project to be self funded and financially sustainable.

Financial Viability

- With a modest rental rate of \$12/sf the project can cover building expenses.
- Funding to be provided initially by:
 - WSWSU.
 - WSUF.
 - Twin Valley budgeted operational costs.
 - Long term mortgage of property.
- Financing necessary for:
 - Upgrading Entrances.
 - Common area changes for tenant use.
- DVMC will be funding their own fit-up costs, reducing their financial impact.
- The Gathering Place, Meals on Wheels and Deerfield Valley Medical Center will enhance financing beyond the first year.
- Future fit-up costs could be covered by rental income of facilities in the future.



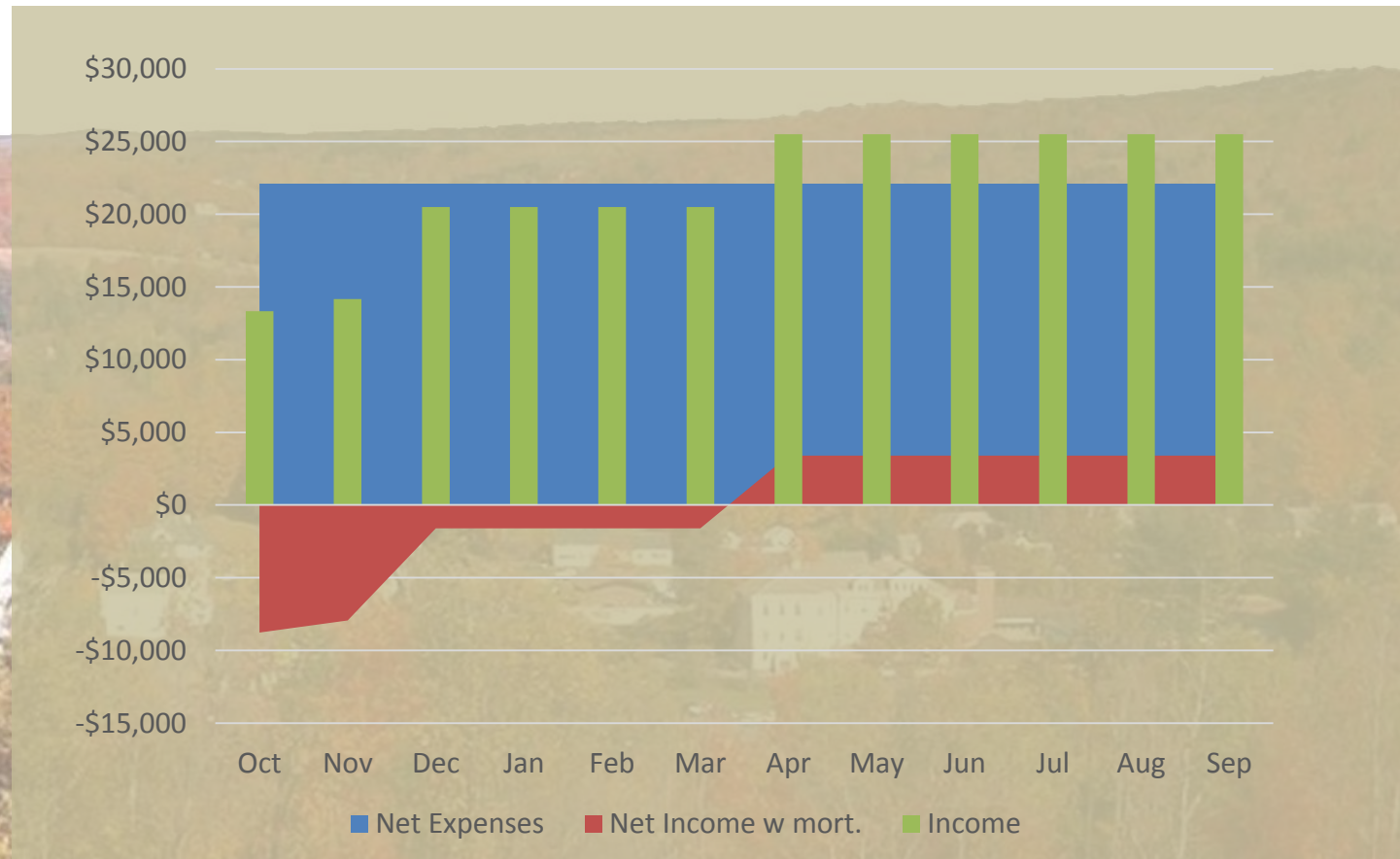
Twin Valley High School Conversion to Community Center

First Year Budget Projections

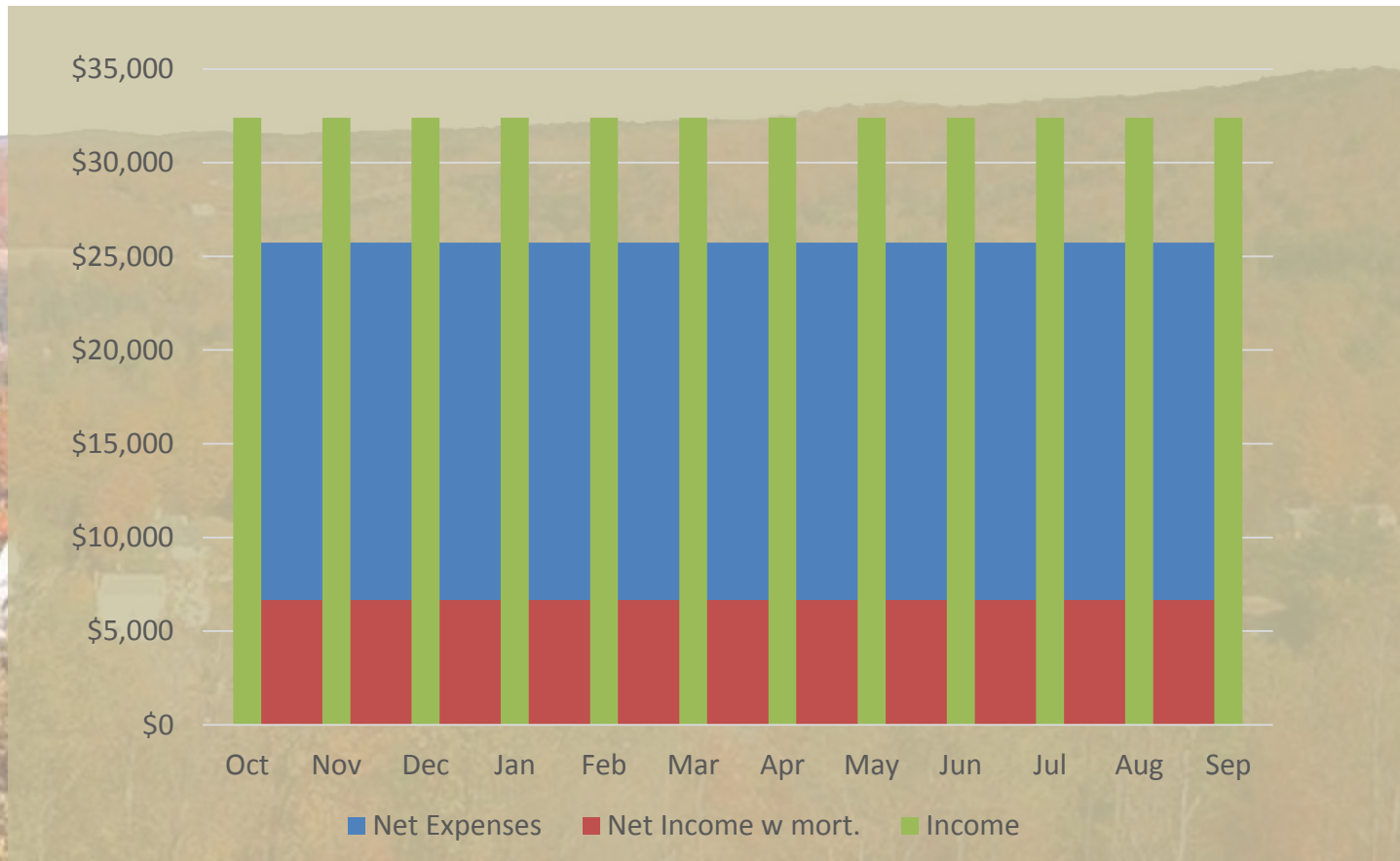
Wilmington Community Economic Development Center													
First Year Proposed Budget 10/1-2014-9/1-2015													
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
Income													
WSWSU			\$ 4,335	\$ 4,335	\$ 4,335	\$ 4,335	\$ 4,335	\$ 4,335	\$ 4,335	\$ 4,335	\$ 4,335	\$ 4,335	\$ 43,350
WSUF*	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 13,333	\$ 159,996
Gathering			\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 10,000
Meals on wheels			\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 10,000
Medical							\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 30,000
TVHS		\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 833	\$ 9,163
Total Income													
Total Income	\$ 13,333	\$ 14,166	\$ 20,501	\$ 20,501	\$ 20,501	\$ 20,501	\$ 25,501	\$ 25,501	\$ 25,501	\$ 25,501	\$ 25,501	\$ 25,501	\$ 262,509
Expenses													
Building	\$ 10,736	\$ 10,736	\$ 10,736	\$ 10,736	\$ 10,736	\$ 10,736	\$ 10,736	\$ 10,736	\$ 10,736	\$ 10,736	\$ 10,736	\$ 10,736	\$ 128,832
Manager	\$ 4,166	\$ 4,166	\$ 4,166	\$ 4,166	\$ 4,166	\$ 4,166	\$ 4,166	\$ 4,166	\$ 4,166	\$ 4,166	\$ 4,166	\$ 4,166	\$ 49,992
Total Building Exp.	\$ 15,832	\$ 15,832	\$ 15,832	\$ 15,832	\$ 15,832	\$ 15,832	\$ 15,832	\$ 15,832	\$ 15,832	\$ 15,832	\$ 15,832	\$ 15,832	\$ 189,984
Mortgage at \$2MM	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ 86,400
Total Expenses	\$ 22,102	\$ 22,102	\$ 22,102	\$ 22,102	\$ 22,102	\$ 22,102	\$ 22,102	\$ 22,102	\$ 22,102	\$ 22,102	\$ 22,102	\$ 22,102	\$ 265,224
Net income	\$ (8,769)	\$ (7,936)	\$ (1,601)	\$ (1,601)	\$ (1,601)	\$ (1,601)	\$ (1,601)	\$ 3,399	\$ 3,399	\$ 3,399	\$ 3,399	\$ 3,399	\$ (2,715)

*WSUF: Wilmington School User Fee (currently paid by Town of Wilmington)

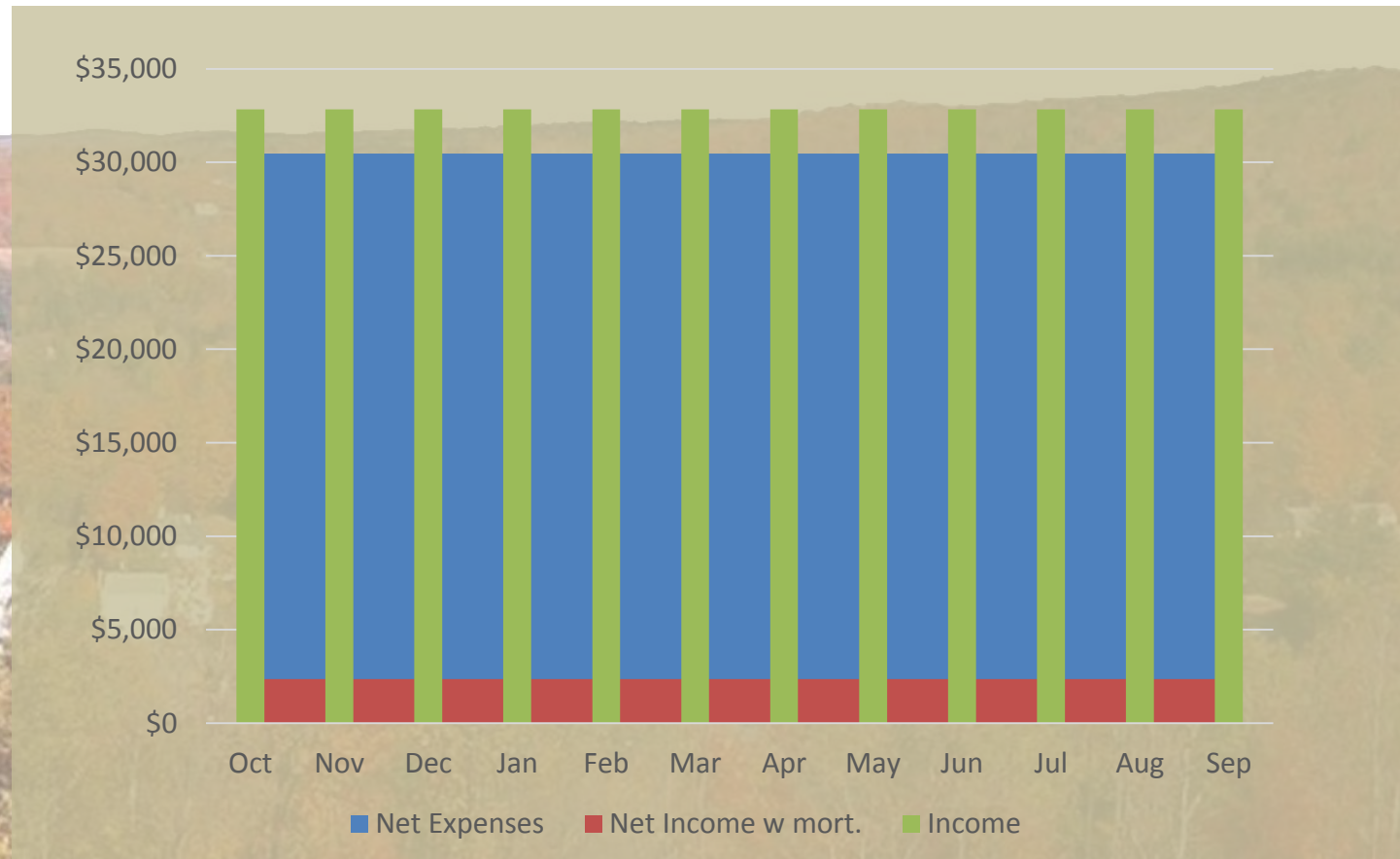
Twin Valley High School Conversion to Community Center Income to Expenses Comparison – Year One



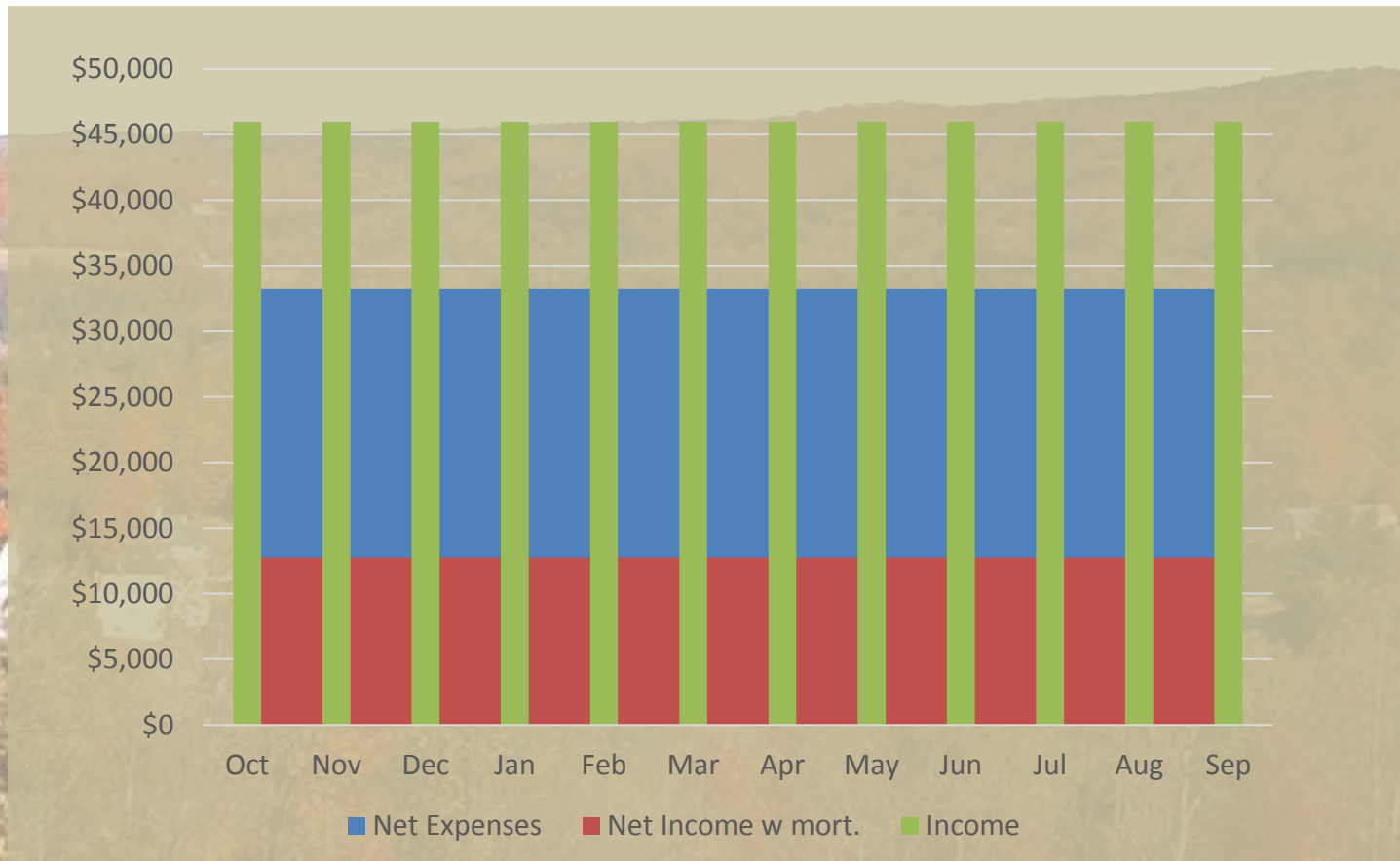
Twin Valley High School Conversion to Community Center Income to Expenses Comparison - Year Two



Twin Valley High School Conversion to Community Center Income to Expenses Comparison – Year Three



Twin Valley High School Conversion to Community Center Income to Expenses Comparison – Year Four



Year One Budget Projections

October 1, 2014 – September 30, 2015

- WSUF Income at \$160,000.
- Medical Rent commences April 1 at \$10/foot or \$5,000/month.
- Other rents at \$12/foot – Total rented is 12,000 square feet.
- Mortgage of \$2,000,000 for 40 years at 2%, P and I is \$7,200/month.
- WSSU commences in December.
- Twin Valley High School rent starts November 1 at \$833/month.
- Maintenance person starts October 1 at \$1,600/month.

Year Two Budget Projections

October 1, 2015 – September 30, 2016

- 2% increase on all existing tenants.
- WSUF Income reduced from \$160,000 to \$80,000.
- 10,000 additional square feet rented during course of the year at \$12/foot – Total income of \$60,000 per year; 22,000 of 52,000 feet rented.
- Additional mortgage of \$750,000 for fit up – Now mortgage is \$2.75 million and P and I is \$9,900/month.
- Building expenses raised to reflect 40% occupancy.
- \$100,000 grant approved and funded in this year.

Year Three Budget Projections

October 1, 2016 – September 30, 2017

- 2% increase on all existing tenants.
- WSUF Income reduced from \$80,000 to \$60,000.
- No grant money.
- Another 10,000 square feet rented at \$12/foot during course of the year, total new income of \$60,000/year; now 32,000 of 52,000 feet rented.
- Additional fit up of \$500,000 added to mortgage. Now \$3,250,000 and P and I is \$11,700/month.
- Building expenses increased to reflect 60% occupancy.

Year Four Budget Projections

October 1, 2017 – September 30, 2018

- 2% increase on all existing tenants.
- WSUF Income reduced from \$60,000 to \$40,000.
- New grant of \$50,000 approved and funded this year.
- Additional 10,000 square feet rented at \$12/foot, Income of \$60,000/year; now 42,000 of 52,000 feet rented.
- No additional fit up costs.
- Building expenses increased to reflect 80% occupancy.

Notes

- There is no reserve for unpaid rent, which is estimated at 5% for each year. Year one estimate is \$12,000, years two and three estimate is \$20,000, and year four would be \$25,000.
- New rental income in years 2-4 assumes new tenants for 6 months, but renewing in subsequent years for 12 months.

Prospective Tenants

Deerfield Valley Medical Center

Deerfield Valley Community Partnership

WSSU (Windham Southwest Supervisory Union)

- WSSU Administrative Offices
- Wings Program
- Off Campus Special Ed. Program
- IEC (Individual Educational Coordination)

Agency of Human Services

- Vocational Rehabilitation
- DCF Department
- HCRS Children, Youth and Family Services
- Department of Labor

Town Manager/Town Clerk

Gym- Fitness Classes

Tae Kwon Do

Families First

Commercial Kitchen

Eldercare-Gathering Place

SEVEDs/Brattleboro Development Credit Corporation

Jessica's Closet

Teen Center

Health & Wellness Services

Incubator/Co-Working Space

Funding Sources

Mortgage Opportunities:

- VT Economic Development Authority.
- US Dept. of Agriculture (USDA) – source for capital projects, long term and low rate loans for 40 years at 2%.
- Small Business Administration.
- State of Vermont Community Development Fund.
- Conventional Financing.

Grant Opportunities:

- Vermont Community Development Block Grant
- Economic Development Administration

Bonding and tenant equity investments may be an option.

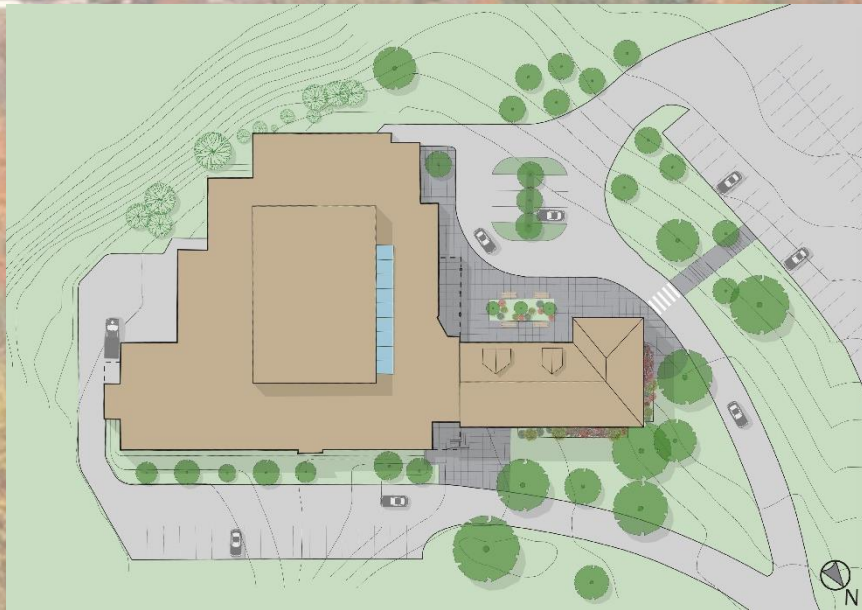
Leaving the building vacant (still requires the building to be kept above freezing) will be costly for operating and maintenance which may be moved toward financing initiatives for the center.



Conclusions

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- The Wilmington Community Economic Center is a Win / Win for the community and the Wilmington School District.
- The most sustainable strategy is to reuse the existing building, which will create a more condensed downtown, and preserve open space.
- The Center will fill a variety of business needs.
- It will create a social hub within the downtown district of the community.
- It will enhance the living experience and the economy of the town and region by centralizing various groups and organizations.



Wilmington Community and Economic Development Center

THANK YOU!

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Architects
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