

**WHITE CLIFFS COMMITTEE
MEETING MINUTES – September 22, 2020**

10:00 a.m. – Chairman's Introduction to Remote Meeting

Chairman Helwig stated that pursuant to Governor Baker's March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §18, and the Governor's March 15, 2020 Order imposing strict limitation on the number of people that may gather in one place, this meeting of the White Cliff Committee will be conducted via remote participation. No in-person attendance by members of the public will be permitted.

Chairman Helwig confirmed that the following members and persons were remotely present and could be heard:

Committee Members

Todd Helwig, Committee Chairman - CPC Representative
Norm Corbin, Committee Vice Chair - Historical District Commission Liaison
Julianne Hirsh, Board of Selectmen Liaison
Diana Nicklaus, At-Large Member
Tom Reardon, At-Large Member

Town Staff

John Coderre, Town Administrator
Kathy Joubert, Town Planner
Scott Charpentier, DPW Director

Other Participants

Martha Werenfels, DBVW Architects
Nealia Morrison, DBVW Architects
Eric Busch, Peregrine Group

APPROVAL OF SEPTEMBER 3, 2020 MEETING MINUTES

Postponed to next meeting.

DBVW ARCHITECTS - DRAFT WHITE CLIFFS ASSESSMENT AND REUSE STUDY

Mr. Coderre stated that the draft final report did an excellent job of bringing all the information and work to-date together in one organized place. The Committee had identified 3 primary potential reuses, including 1) Hospitality/Event Center; 2) Municipal Use; and 3) Residential Reuse.

Mr. Coderre stated the main focus of today's meeting is to hear the presentation and go through the proformas to get a sense of where the Committee thinks it wants to go moving forward. At a subsequent meeting, there will be a final presentation of the entire feasibility and reuse study.

Ms. Werenfels presentation included the following reuse options:

Hospitality/Event Use

1A – Just preserving the White Cliffs mansion

1B – Preserving the mansion with some new construction

The upper floors would be used in various ways to support event space use, with the third floor being used for storage.

Municipal Use

Preserve the White Cliffs mansion with a substantial amount of new construction, depending on the Town's needs for a new municipal building in terms of office and meeting space. The third floor would be used primarily for storage.

Residential Use

The White Cliffs mansion would include common space on the main floor with residential use above. There is potential for five multi-unit buildings on the property.

Mr. Busch reviewed the Market Feasibility Analysis for each of the reuse options outlining general market feasibility and the potential funding sources for implementation. The analysis includes market data survey information, as well as capital cost information. Each reuse option was evaluated to compare forecast market value to the forecast cost of the improvements and to determine the disconnect between the two points. Numerous assumptions were made based on market experience and available benchmarks.

Market Data – Included available office/retail/commercial spaces within Northborough and surrounding communities; comparable event spaces within the region with the focus on historic houses and related properties; condominiums and apartments within the market.

Capital Costs – Cost assumptions included the following: order of magnitude site and infrastructure costs based on today's costs; the basic assumption that the buildings would require utility upgrades for electrical, gas and sewer connections; rough assumptions of grading, site lighting and landscaping; costs for demolition, rehabilitation, new construction, land and soft costs.

Mr. Busch added that construction cost escalation has been a significant factor in recent years, with costs often rising over 5% per year due to a high level of market activity. The timing of construction and the future state of the market is not addressed in the cost or revenue assumptions.

Mr. Busch reviewed the budgets for each of the three options as shown on pages 4.2.3 – 4.2.9 of the draft final report.

Option 1A Hospitality/Event within existing house only

Order of Magnitude Cost: \$12.8 million dollars

Assumes rental fees only; no dining, catering operation, lodging, etc. Rental fees based on market comparables; assuming maximum sizing of approximately 125 seated indoor events.

In response to a question from Ms. Hirsh, Mr. Busch indicated that it would be difficult to predict any other additional funding under the grant's column. Ms. Werenfels added that a likely source for funding would be under the Community Preservation Act.

Option 1B Hospitality/Event with new Ballroom and Kitchen Addition

Order of Magnitude Cost: \$16.9 million dollars

Assumes rental fees only; no dining, catering operation, lodging, etc. Rental fees based on market comparables; assuming maximum sizing of approximately 250 seated indoor events.

Ms. Hirsh asked if it would help to reduce the cost with the tent option that had been previously discussed. Mr. Busch responded that this option could be discussed under Option B, new construction. Ms. Werenfels added that although this would reduce construction cost; this was not presented as an option due to neighbors and noise.

Option 2 Municipal

Order of Magnitude Cost: \$31.6 million dollars

Assumes renovation of the historic portion of the building to be used primarily for meeting space, with an addition to house Town Offices. A Federal Historic Tax Credit (FHTC) is not an option as it requires a taxable entity.

Option 3 Residential/New Construction

Order of Magnitude Cost: \$21.1 million dollars

Assumes approximated per market comparables for new construction for sale, including two rental units within the existing building to allow for a FHTC.

Mr. Helwig questioned why the two rental units are apartments? Mr. Busch responded that this will allow for tax credits, adding that to sell the units inside a structure that includes common space would be difficult. Mr. Helwig questioned if there is any benefit to blend Options 1A and 3 to allow for a residential building in the back with the primary building to be used for event space on its own parcel. Ms. Werenfels responded that the activity and noise with having event space on site would diminish the value of the residential units.

Ms. Hirsh questioned why the house in this model could only be used by residents and not by the Town. Ms. Werenfels responded that although large events that are open to the public would generate revenue, it might be an issue for the residents living on site.

Mr. Corbin stated that the driving cost for all of the options is to bring the historic building back to its original condition. He questioned if there was a lower degree of historic restoration that might help make the project viable financially? Ms. Werenfels responded that a possible fourth option was discussed that would include only the essential costs to save the building. This option would include the basic renovation costs, including taxes, insurance and utilities, and would not designate a prospective use. This option would attract those who want to reuse the facility without extensive historic restoration beyond what currently exists. In response to a question by Ms. Hirsh, Ms. Werenfels indicated that this option would possibly reduce or eliminate available funding sources.

Mr. Coderre stated that the numbers presented are extremely sobering. Based on the numbers that Mr. Busch presented, the Town is looking at an additional potential subsidy ranging between \$10.4 and \$13.9 million dollars. He noted that the initial reuse assessment was necessary in order to provide information upon which to make decisions; however, given the financial outlook, the Committee is going to need to be open to alternative approaches.

Ms. Nicklaus stated that whatever option the Committee agrees on is going to take some time. With that being said, it's important to stress the fact that these costs are going to escalate due to inflation.

Mr. Coderre stated that based on the high cost estimates for the three selected reuse options, he does not foresee the Committee requesting additional funding at Town Meeting for any of these. Mr. Helwig and Ms. Hirsh agreed.

Ms. Nicklaus stated that she agrees with the approach of the fourth option, but would like to see it examined further in terms of cost. Ms. Werenfels indicated that both DBVW and Peregrine Group have spent a significant amount of time beyond their contracted fee and would like to bring this project to a conclusion. The additional cost to further examine the fourth option would depend on how refined it needs to be. Ms. Nicklaus stated that this is worth the additional investment as this is the most realistic option moving forward.

Ms. Werenfels informed the Committee that a proposal and scope for the fourth option could be presented to the Committee in approximately three weeks. In the meantime, she asked that any comments on the draft final report be submitted to her within the next two weeks. Mr. Helwig confirmed that the fourth option scope of services – “*Essential Costs and Preservation Light*” will be presented to the Committee in three weeks for review and approval.

NEXT MEETING

Next meeting – October 14, 2020 at 10:30 a.m.

ANY OTHER BUSINESS

None.

ADJOURNMENT

Mr. Corbin moved to adjourn the meeting at 11:32 a.m.; Mr. Reardon seconded the motion; the roll call vote was taken as follows:

Corbin	“aye”	Reardon	“aye”
Hirsh	“aye”	Helwig	“aye”
Nicklaus	“aye”		

Respectfully Submitted,

Lynda LePoer

Executive Assistant

Documents used during meeting:

1. September 22, 2020 Meeting Agenda
2. Meeting Minutes from September 3, 2020
3. DBVW Power Point Presentation – White Cliffs Mansion Assessment and Reuse Study
Draft Submission: May 1, 2020