



MEMO

Date: July 26, 2018
To: Conservation Board
From: Cindi Wight, Director
RE: Approval for use of Conservation Funds - Former Burlington College final expenses
Cc: Dan Cahill, Land Steward

We are respectfully asking for up to \$178,730 for the final payment for the purchase of the 12 acres on the former Burlington College property.

The following is an accounting of final costs associating with the City and Vermont Land Trust (VLT) acquisition of 12 acres on the former Burlington College property along with future costs to bring the property up to accepted standards. The interest is estimated through 12/31/2018. If we pay this off before the end of September we will save an estimated \$9,000.

All City staff time has been accounted for within City accounts. This includes significant hours from both the Director and Land Steward. City legal expenses have been covered by the City Attorney's general fund budget.

Burlington College Summary

<u>Uses</u>		
Parcel	\$ 2,000,000	
Transaction Costs	\$ 41,096	
Holding Costs (Taxes, Insurance)	\$ 24,904	
VLT Staff Costs	\$ 68,500	
Debt Service (to Date)	\$ 131,070	
Total	\$ 2,265,570	
<u>Sources</u>		<u>Received</u>
VHCB	\$ 500,000	\$ 500,000
LWCF	\$ 500,000	\$ -
Anonymous	\$ 500,000	\$ 250,000
Burlington CLF	\$ 537,857	\$ 537,857
Rent (From BTV college)	\$ 20,483	\$ 20,483
VLT - in-kind	\$ 28,500	\$ 28,500
Total	\$ 2,086,840	\$ 1,336,840
Difference	\$ (178,730)	\$ (928,730)



- **Transaction Costs**
 - Includes legal costs and loan fees for financing, recording fees, wire fees, and title insurance.
- **Holding Costs**
 - Includes taxes and insurance.
- **VLT Staff Costs**
 - Includes staff costs for VLT President, VP for Finance, Project Attorney, Champlain Valley Regional Director, and GIS Mappers.
- **Debt Service**
 - VLT secured a loan for the land purchase which has been accumulating interest. The loan secured by VLT was at a rate 75-100 basis points lower than commercially available loans, and has much more flexible payment terms and conditions. This results in a cost of capital savings of at least \$15,000 over the term of the loan.

Capital Improvements

- The Stone House will be updated and used with a focus on conservation.
- We are considering a greenhouse on the back end of the historic house. This would predicate removing the back end of the house.
- The trail from North Avenue to the bike path will be rerouted in some places and will get re-surfaced in most places. There is also a staircase planned as a pedestrian alternative for access down to the greenway.

There are private donations available for some improvements and to make all of the improvements possible we would need to engage in further fundraising. The total cost of all potential additional improvements would equal well over \$750,000.

Funding for land and associated purchase costs

The minutes of the Conservation Board on January 4, 2016 indicated the Conservation Board was ready to donate an additional \$500,000 to the project if the final donor was not secured. The donation was secured. The current ask of \$178,730 is less than what the Conservation Board was originally ready to commit if needed. The total requested Legacy funds equal 32% of the total cost of the land purchase. If we add in the estimated \$750,000 in additional work to be done on the property it equals 24% of the expense.

Motion

Authorize Burlington Parks, Recreation and Waterfront Director to use Conservation Legacy Acquisition Funds to pay back Vermont Land Trust for all final costs not to exceed **\$178,730**.