

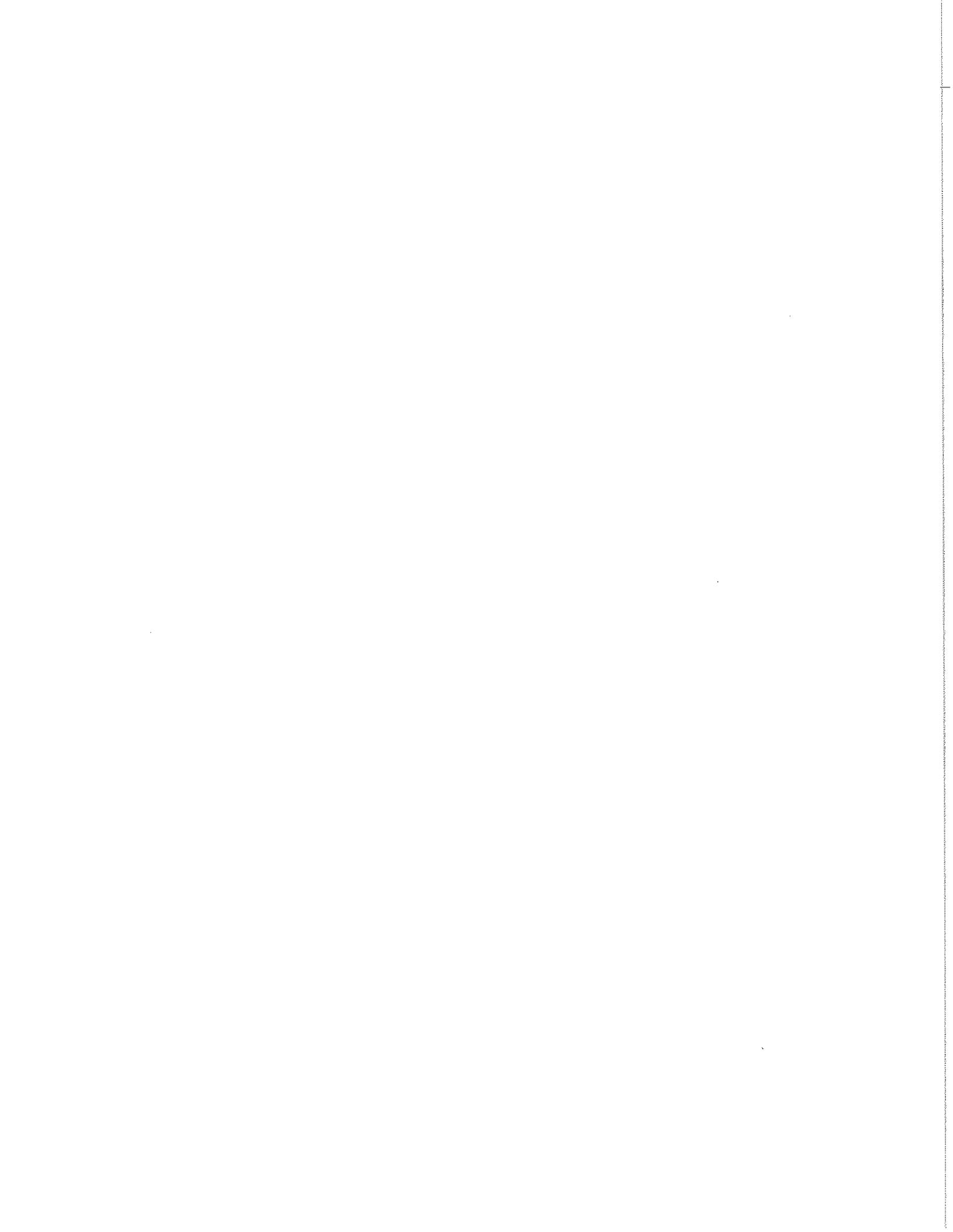
***Briefing Booklet  
for  
Special  
Representative  
Town Meeting***

***Police-Fire  
Facilities Project***

***March 12, 2016***

***8:30AM***

***Brattleboro Area Middle School  
Multipurpose Room***



# MEMORANDUM

To: Representative Town Meeting Members  
From: Peter B. Elwell, Town Manager  
Re: Police/Fire Facilities Project  
Date: March 2, 2016



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## **RECOMMENDATION**

The Selectboard and Town staff recommend that the members of Representative Town Meeting vote “yes” on the March 12 Australian Ballot question to authorize relocation of the Police Station to 62 Black Mountain Road.

## **PROCESS BY WHICH THE RECOMMENDATION WAS DEVELOPED**

Building on the community’s many years of prior work, staff spent the first half of 2015 working to reduce the scope and cost of major improvements to the Town’s Police and Fire facilities that were authorized at the Special Representative Town Meeting on October 20, 2012. Late last summer, with the help of the professional design team previously assembled to develop this project, staff brought forward new alternatives and comparative cost estimates. Between early October 2015 and late January 2016, the Selectboard discussed these alternatives and reviewed various aspects of the project at 14 separate Selectboard meetings. The Selectboard also held 3 special outreach meetings in November and December 2015 at which staff presented the alternatives and the public asked questions and offered comments. At the end of this process, on January 19, 2016, the Selectboard voted 4-1 in favor of recommending the “Black Mountain Road” alternative, as follows:

- Purchase of the Brattleboro Reformer building at 62 Black Mountain Road and conversion of building into a new Police Station at a total estimated cost of \$4.1 million.
- Renovation and expansion of the Central Fire Station at an estimated cost of \$6.2 million.
- Construction of a new West Brattleboro Fire Station at an estimated cost of \$1.5 million.

Bond counsel and the Town Attorney advised that the March 12 Australian Ballot question should focus exclusively on the Police Station component of this project because the 2012 authorization already provided sufficient Representative Town Meeting approval for the Fire Station components to proceed as recommended. The 2012 authorization also provided sufficient funding for the Police Station component to proceed as recommended, but it referred explicitly to the Municipal Center as the intended location of the Police Station renovation. Therefore, the question before the Representative Town Meeting members on March 12 will be whether to allow the location of the Police Station to be at Black Mountain Road instead of at the Municipal Center.

The documents provided in this briefing booklet all were originally produced between early October 2015 and late January 2016. We did not go back further because of the long and well documented history of planning for this project. It would be impossible to include all relevant documentation from the past 20+ years, so we present here the documents that summarize the new alternatives we developed in 2015 and the factors considered by the Selectboard in arriving at its recommendation.

### **SUMMARY OF THIS BRIEFING BOOKLET**

The contents of the briefing booklet are as follows:

- Table of Contents
- Warning for Special Representative Town Meeting on March 12, 2016.
- All Selectboard meeting materials regarding this matter that were originally provided to the Selectboard between October 2015 and January 2016.
- The content and results of a survey conducted in January 2016, through which the public expressed its views regarding the various project alternatives.
- 2 PowerPoint presentations. One was first presented at the 3 public outreach meetings in November and December 2015. The other is a shortened and modified version of the first, created in February 2016 to emphasize the recommended alternative and add some information that residents had requested during the public outreach meetings.

PBE:  
Attachments

***Briefing Booklet for Special Representative Town Meeting  
on March 12, 2016, re: Police-Fire Facilities Project***

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2	PowerPoint Presentation re: Recommended Project
18	Memorandum (with attachments) dated January 27, 2016, from Finance Director John O'Connor re: Project Financing
26	Survey Questionnaire and Results
38	Memorandum (with attachments) dated January 8, 2016, from Town Manager Peter Elwell re: Debt Service Cost Comparisons for the Various Project Alternatives
48	Memorandum dated January 6, 2016, from Town Manager Elwell re: Life Cycle Cost Comparison Between Municipal Center and Black Mountain Road
50	PowerPoint Presentation re: Project Alternatives
78	Memorandum (with attachment) dated November 12, 2015, from Town Manager Elwell re: Option Agreement for Potential Future Purchase of 62 Black Mountain Road
101	Postcard mailed to all Brattleboro addresses to provide notice of 3 Public Information Meetings
102	Memorandum dated October 21, 2015, from Town Manager Elwell re: Public Information Meeting Schedule
103	Memorandum (with attachments) dated October 5, 2015, from Town Manager Elwell re: Police/Fire Facilities Update and Summary of Project Alternatives

**SPECIAL REPRESENTATIVE TOWN MEETING**  
**March 12, 2016**

The legal voters qualified to vote in Representative Town Meeting, are hereby notified and warned to meet in the multi-purpose room of the Brattleboro Area Middle School on Saturday, the twelfth day of March, 2016, at 8:30 a.m. to act on the following articles:

**ARTICLE 1:** Shall an amount not to exceed Four Million, Five Hundred Thousand (\$4,500,000.00) Dollars of the proceeds of bonds authorized at the October 20, 2012 special representative town meeting of the Town of Brattleboro be expended for the purpose of purchasing land and buildings at 62 Black Mountain Road, Brattleboro, Vermont and renovating said lands and buildings into a Town of Brattleboro Police Station instead of constructing the police station renovations at the Brattleboro Municipal Center as authorized at said special representative town meeting? Voting on this Article is to be done by Australian ballot

If in favor of this question, make a cross in this square:

If opposed to this question, make a cross in this square:

**ARTICLE 2:** To transact any other business that may lawfully come before the meeting.

Dated at Brattleboro, Vermont this 2nd day of February, 2016.

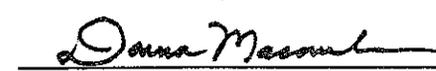
**BRATTLEBORO SELECTBOARD**

  
\_\_\_\_\_

David Gartenstein, Chair

  
\_\_\_\_\_

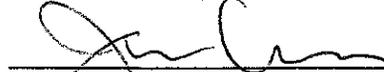
David Schoales, Clerk

  
\_\_\_\_\_

Donna Macomber

  
\_\_\_\_\_

Kate O'Connor, Vice Chair

  
\_\_\_\_\_

John Allen

Brattleboro, Vermont  
February 3, 2016

Town Clerk's Office, Brattleboro, Vermont, February 3, 2016, at 9:56 Am, received and recorded the foregoing Warning in Volume 20, of Town Records, at Page 391.

Attest:   
Annette L. Cappy, Town Clerk

# BRATTLEBORO EMERGENCY SERVICES BUILDING IMPROVEMENT PROJECT



## Today's Presentation

- ▣ Quick Overview of the History and Need
- ▣ What is Planned for the Fire Department
- ▣ What is Planned for the Police Department
- ▣ Financial Details
- ▣ Representative Town Meeting Will Decide
- ▣ Summary
- ▣ Questions & Answers

## History

- ❑ The need to update these facilities was first recognized in the 1980s.
- ❑ Various plans were proposed and rejected since the 1990s.
- ❑ 2012: Selectboard & Town Meeting Approval
- ❑ 2013: Final Design & Preparation to Construct
- ❑ 2014:
  - Annual Budget Rejected by Electorate
  - Project Postponed to Cut Debt Service Expense
  - Building Committee Considered Additional Options
  - Selectboard: "Wait for New Town Manager"

## Recent History

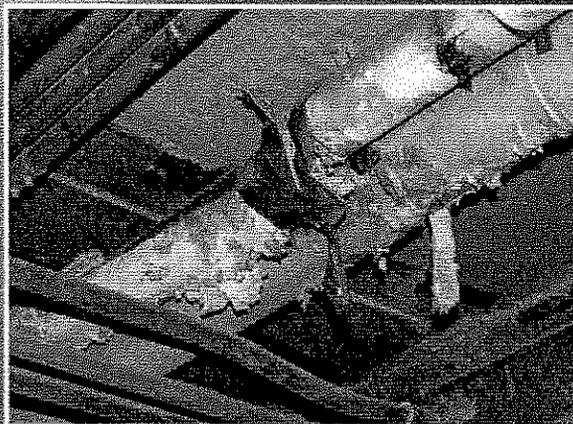
- ❑ Spring 2015
  - Elwell thoroughly reviewed history and 2013 plans.
- ❑ Summer 2015
  - Staff & consultants prepared 4 cost saving plans.
- ❑ Summer/Fall/Winter 2015-2016
  - Alternatives reviewed at 14 Selectboard meetings.
  - Information provided, questions answered, and comments received at 3 public outreach meetings.
  - Selectboard chose Black Mountain Road Alternative.

## Need For Project

- Our work during the past 18 months has been focused on reducing the 2013 plans to meet the confirmed needs of these facilities in the most cost effective manner.
- We now desperately need to take action ...
  - to correct health and safety problems
  - to correct functional deficiencies

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## Asbestos at the Central Fire Station



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# Mold

in the Police Locker Room

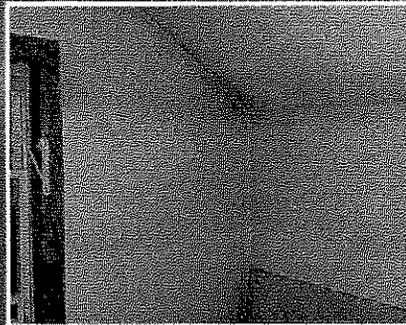


at Fire Station #2

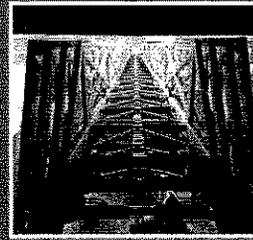
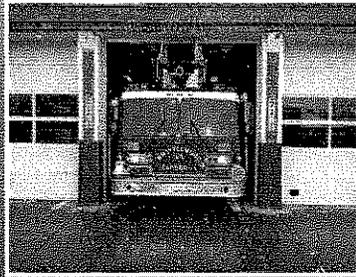
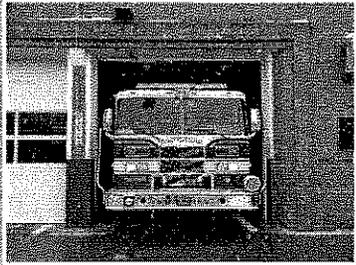


# Diesel Soot

in the living area  
at both fire stations



## Large Modern Fire Trucks do not fit in our 1950s/1960s era fire stations



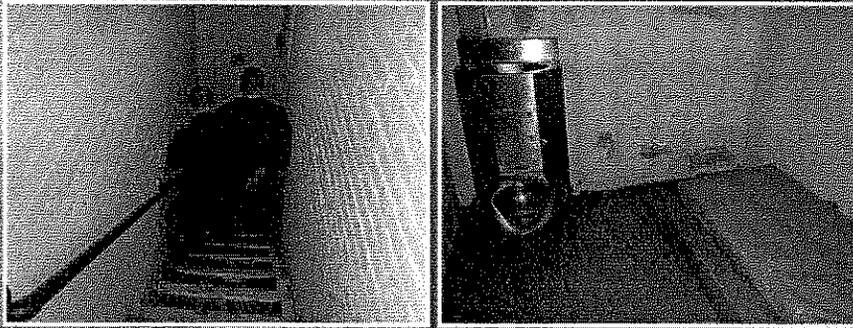
## Municipal Center Hallway

Private Activities in Public Spaces



## Holding Cell Design and Access

Dangerous for Officers and Prisoners



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## Plan of Action

### ■ Recommended Plan:

- Move Police Station to Black Mountain Road
- Renovate and Expand Central Fire Station
- Replace West Brattleboro Fire Station

### ■ Why is this the Recommended Plan?

- Saves over \$2 Million Compared to the 2013 Plans
- Saves over \$1 Million Compared to the Reduced Plans to Renovate + Expand the Police Station at Municipal Center
- Corrects all deficiencies  
(Municipal Center Police Station options would correct only some known deficiencies)

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## Fire Department



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## Fire Stations

- ❑ Central Station was built in 1949 and no significant renovation work has been done since the 1980s.
  - 2013 Plan: 26,000 square feet for \$6.7 Million
  - Now: 20,000 square feet for \$6.2 Million
  
- ❑ Station 2 was built in 1960 and a second story was added in the 1970s.
  - 4,600 square feet for \$1.5 Million

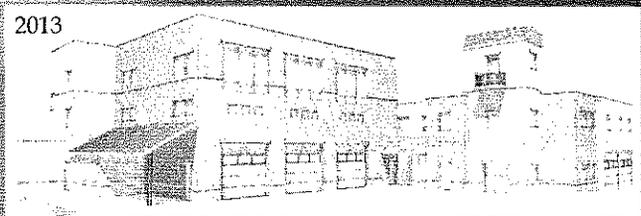
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# Central Station



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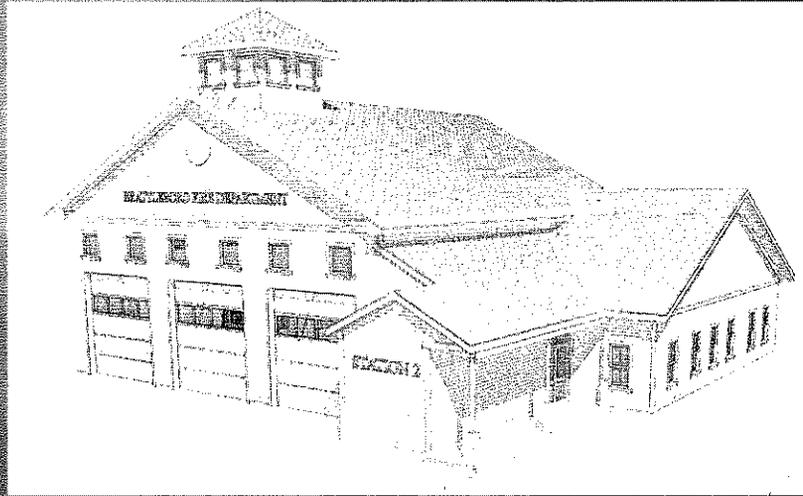
# Central Station



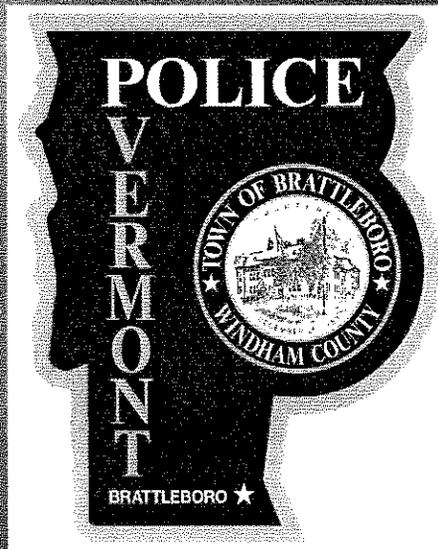
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## Station 2

(Current Plan is the same as the 2013 Plan)



## Police



## Police Department Major Needs

- Secure area to handle transported prisoners
- Move cell block from basement level
- Provide separate locker rooms for male and female officers
- Provide secure and dry area for long term storage of records and evidence
- Move department into common work areas, increasing efficiency and workflow by removing hallway barrier
- Provide a separate entrance to Central Dispatch for citizens

All are met by the Black Mountain Road alternative plus the taxpayers save \$1 Million

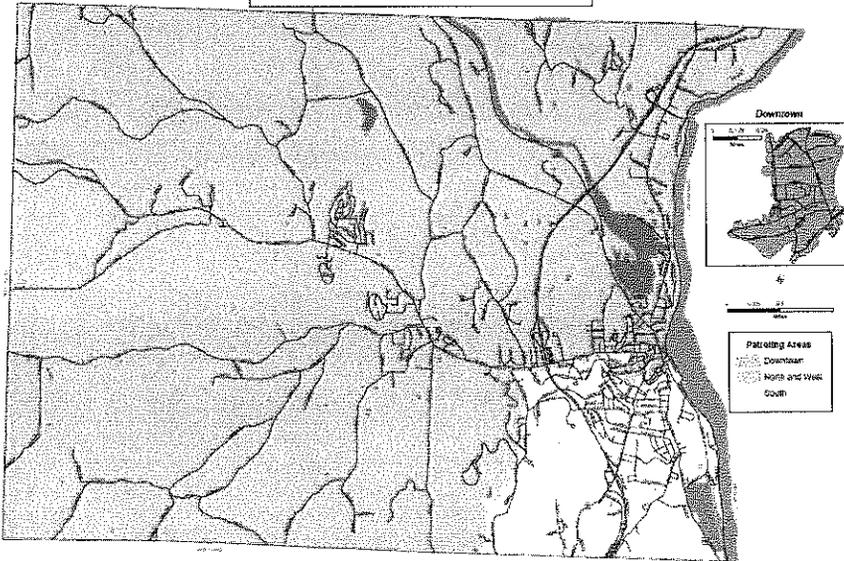
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## Can the Police Department Protect the Community from a North End Police Station ?

- All indicators are "Yes" ...
  - Call Data
  - Response Times
  - Walk In Survey
  - Most Important:  
Deployment and Commitment of Officers
- Chief Fitzgerald will explain

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Patrolling Areas - November 2015  
Brattleboro Police Department



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## Financing

- \$11,130,000 of Bonds were authorized at a Special Town Meeting in 2012.
- \$5,000,000 of Bonds were issued in 2013.
- \$955,327 was spent to acquire land adjacent to the Central Fire Station and for final design of all 3 intended projects.
- A small amount of interest has accrued on the balance.
- For the remainder of the project:  
Approximately \$13.2 Million is the maximum that can be spent and we have almost \$4.1 Million already allocated to it.
- The estimated cost of the plan approved by the Selectboard is \$11.8 Million.

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## Cost of Additional Bonds

	20 Years	25 Years	30 Years
Additional Borrowing Required	\$ 7,759,867.00	\$ 7,759,867.00	\$ 7,759,867.00
Interest Rate on Bond	3.269%	3.502%	3.663%
Total Interest Paid	\$ 2,740,449.80	\$ 3,615,688.38	\$ 4,493,748.06
Year 2 Debt Service	\$ 607,933.05	\$ 547,399.33	\$ 508,485.00
Year 2 Tax Rate Impact	\$ 0.0526	\$ 0.0473	\$ 0.0440
Year 2 Impact per \$100,000 Assessment	\$ 52.58	\$ 47.34	\$ 43.97

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## "All In" Cost of Bonds

(Includes 20-Year Term for 2016 Bonds)

	20 Years	25 Years	30 Years
Original Borrowing (15 Years)	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00
Additional Borrowing Required	\$ 7,759,867.00	\$ 7,759,867.00	\$ 7,759,867.00
Interest Rate on Original Bond	3.508%	3.508%	3.508%
Interest Rate on Additional Bond	3.269%	3.502%	3.663%
Total Interest Paid	\$ 4,202,656.90	\$ 5,077,895.48	\$ 5,955,955.16
Fiscal Year 2018 Debt Service	\$ 1,073,336.25	\$ 1,012,802.53	\$ 973,888.20
Fiscal Year 2018 Tax Rate Impact	\$ 0.0928	\$ 0.0876	\$ 0.0842
Fiscal Year 2018 Impact per \$100,000 Assessment	\$ 92.82	\$ 87.59	\$ 84.22

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# Financing Comparison

(Assumes a 20-Year Term for 2016 Bonds)

ALTERNATIVE	ESTIMATED COST TO BUILD	PEAK YEAR TAXES PAID FOR DEBT SERVICE PER \$100,000 PROPERTY VALUE	
		2016 BONDS	"ALL IN"
Black Mountain Road	\$ 11.8 Million	\$ 52.58	\$ 92.82
Municipal Center	\$ 12.8 Million	\$ 59.18	\$ 99.43
2013 Plans + Inflation	\$ 14.1 Million	\$ 67.92	\$ 108.16

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# Life Cycle Costs

- The lower debt service for Black Mountain Road will save approximately \$66,000 per year
- Costs of Having an Extra Facility
  - Operation and Maintenance will require approximately \$61,000 per year
  - \$5,000 will be set aside annually in a reserve for future replacement of major building systems
- New rental income will offset lost property taxes (each will be approximately \$20,000 per year) at Black Mountain Road
- Potential new rental income at Municipal Center makes the life cycle cost comparison favorable for the Black Mountain Road alternative

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## Bond Counsel's Advice Regarding the Warning for Representative Town Meeting

- ▣ 2012 Bond Authorization is sufficient in all respects for the Fire Station projects
- ▣ 2012 Bond Authorization has sufficient funding for Police Station project
- ▣ Police Station project needs NEW authorization ONLY to allow it to be at Black Mountain Road instead of at the Municipal Center

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## Town Meeting

- ▣ The Special Representative Town Meeting on October 20, 2012, authorized the following by a vote of 99 in favor vs. 34 opposed:
  - Issuance of Bonds in an amount not to exceed \$14,130,000
  - At an interest rate not to exceed 5%
  - To renovate the Central Fire Station, West Brattleboro Fire Station, and "the Police Department at the Municipal Center"
- ▣ March 12, 2016, RTM Australian Ballot Question:  
Shall an amount not to exceed \$4.5 Million of the proceeds of the bonds authorized at the October 20, 2012, special representative town meeting be expended for the purpose of purchasing land and buildings at 62 Black Mountain Road and renovating said lands and buildings into a police station instead of constructing the police station renovations at the Municipal Center.

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## Town Meeting

- Special Informational Meeting on March 2
  - Academy School
  - Doors Open at 6pm
  - Caucuses at 6:30pm
  - Meeting at 7pm
  
- Special Representative Town Meeting on March 12
  - Brattleboro Area Middle School (BAMS)
  - 8:30am
  - Presentation, Discussion, and Australian Ballot

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## Summary

- Action has been delayed for many years.
- We have to do something in 2016.
- A "yes" vote on March 12 is requested because:
  - Fire Station projects have been made more affordable, but are otherwise the same as previously approved
  - Black Mountain Road site meets all of the Police Department's needs, while only some of those needs can be met at the Municipal Center
  - Black Mountain Road alternative saves over \$1 million compared to the current Municipal Center alternative
  - Total of all 3 projects is over \$2 million less than what the 2013 scope of work would cost today
  - Waiting any longer will increase the cost of these projects (for both construction and financing)

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Questions ?

TOWN OF BRATTLEBORO  
Finance Department  
230 Main Street, Suite 208  
Brattleboro, VT 05301  
Phone (802)251-8104 • FAX (802)257-2322

**MEMORANDUM**

DATE: January 27, 2016  
TO: Selectboard  
VIA: Peter Elwell, Town Manager  
FROM: John O'Connor, Finance Director & Treasurer  
SUBJECT: Police and Fire Upgrade Project Financing

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Attached is a spreadsheet that summarizes the financial impact of financing the Police and Fire upgrades over a twenty, twenty-five and thirty year period. Additionally, there is a separate spreadsheet for each financing option detailing the project's impact on the tax rate, the annual and total cost of the project, including the original \$5,000,000 bond issued in fiscal year 2014. Financing the project over a longer period of time results in an increase in the total interest paid, but does lower the annual debt service payments beginning in fiscal year 2018. In fiscal year 2017 the debt service payments are higher with the longer term bonds because the interest rate is higher on the longer term bonds and only interest is paid in the year the bonds are issued. The figures developed in these analyses were based on interest rates provided by the Vermont Municipal Bond Bank on October 21, 2015.

It may be possible to issue the bonds through a private banking entity rather than the Vermont Municipal Bond Bank which may offer the Town some additional flexibility in structuring the loan repayment terms, however a twenty-five or thirty year repayment schedule may not be available through a private banking institution.

Police/Fire Facilities Financial Impact

	20 Year	25 Year	30 Year
	Black Mtn Rd	Black Mtn Rd	Black Mtn Rd
	Option	Option	Option
Additional Borrowing Required	\$ 7,759,867.00	\$ 7,759,867.00	\$ 7,759,867.00
Interest Rate on Bond	3.269%	3.502%	3.663%
Total Interest Paid	\$ 2,740,449.80	\$ 3,615,688.38	\$ 4,493,748.06
Year 2 Debt Service	\$ 607,933.05	\$ 547,399.33	\$ 508,485.00
Year 2 Tax Rate Impact	\$ 0.0526	\$ 0.0473	\$ 0.0440
Year 2 Impact on \$100,000 Assessment	\$ 52.58	\$ 47.34	\$ 43.97
Year 2 Impact on \$150,000 Assessment	\$ 78.86	\$ 71.01	\$ 65.96
Year 2 Impact on \$200,000 Assessment	\$ 105.15	\$ 94.68	\$ 87.95
Year 2 Impact on \$250,000 Assessment	\$ 131.44	\$ 118.35	\$ 109.94
Year 2 Impact on \$300,000 Assessment	\$ 157.73	\$ 142.02	\$ 131.92

Police and Fire Project Debt Service Cost - Black Mountain Road Alternative (20 Year Bond)

Fiscal Year	Original Debt	New Debt	Total Payments	Tax Rate
2014	\$ 122,991.79		\$ 122,991.79	\$ 0.0106
2015	\$ 479,093.16		\$ 479,093.16	\$ 0.0414
2016	\$ 475,796.51		\$ 475,796.51	\$ 0.0411
2017	\$ 471,233.19	\$ 176,906.34	\$ 648,139.53	\$ 0.0561
2018	\$ 465,403.20	\$ 607,933.05	\$ 1,073,336.25	\$ 0.0928
2019	\$ 458,306.54	\$ 602,114.46	\$ 1,060,421.00	\$ 0.0917
2020	\$ 450,009.88	\$ 595,617.28	\$ 1,045,627.16	\$ 0.0904
2021	\$ 440,713.22	\$ 588,440.72	\$ 1,029,153.94	\$ 0.0890
2022	\$ 430,483.23	\$ 580,579.51	\$ 1,011,062.74	\$ 0.0874
2023	\$ 419,353.24	\$ 572,016.97	\$ 991,370.21	\$ 0.0857
2024	\$ 407,523.25	\$ 562,740.98	\$ 970,264.23	\$ 0.0839
2025	\$ 395,126.60	\$ 552,750.54	\$ 947,877.14	\$ 0.0820
2026	\$ 382,146.62	\$ 542,045.49	\$ 924,192.11	\$ 0.0799
2027	\$ 368,666.64	\$ 530,669.76	\$ 899,336.40	\$ 0.0778
2028	\$ 354,803.32	\$ 518,766.90	\$ 873,570.22	\$ 0.0755
2029	\$ 340,556.71	\$ 506,436.93	\$ 846,993.64	\$ 0.0732
2030		\$ 493,679.79	\$ 493,679.79	\$ 0.0427
2031		\$ 480,496.09	\$ 480,496.09	\$ 0.0416
2032		\$ 466,917.09	\$ 466,917.09	\$ 0.0404
2033		\$ 453,047.26	\$ 453,047.26	\$ 0.0392
2034		\$ 438,960.16	\$ 438,960.16	\$ 0.0380
2035		\$ 424,656.01	\$ 424,656.01	\$ 0.0367
2036		\$ 410,134.81	\$ 410,134.81	\$ 0.0355
2037		\$ 395,406.66	\$ 395,406.66	\$ 0.0342
Total	\$ 6,462,207.10	\$ 10,500,316.80	\$ 16,962,523.90	

Prepared by John O'Connor 1/12/16

Police and Fire Project Debt Service Cost - Black Mountain Road Alternative (25 Year Bond)

Fiscal Year	Original Debt	New Debt	Total Payments	Tax Rate
2014	\$ 122,991.79		\$ 122,991.79	\$ 0.0106
2015	\$ 479,093.16		\$ 479,093.16	\$ 0.0414
2016	\$ 475,796.51		\$ 475,796.51	\$ 0.0411
2017	\$ 471,233.19	\$ 190,028.20	\$ 661,261.39	\$ 0.0572
2018	\$ 465,403.20	\$ 547,399.33	\$ 1,012,802.53	\$ 0.0876
2019	\$ 458,306.54	\$ 542,744.50	\$ 1,001,051.04	\$ 0.0866
2020	\$ 450,009.88	\$ 537,546.78	\$ 987,556.66	\$ 0.0854
2021	\$ 440,713.22	\$ 531,805.49	\$ 972,518.71	\$ 0.0841
2022	\$ 430,483.23	\$ 525,516.51	\$ 955,999.74	\$ 0.0827
2023	\$ 419,353.24	\$ 518,666.48	\$ 938,019.72	\$ 0.0811
2024	\$ 407,523.25	\$ 511,245.65	\$ 918,768.90	\$ 0.0795
2025	\$ 395,126.60	\$ 503,253.29	\$ 898,379.89	\$ 0.0777
2026	\$ 382,146.62	\$ 494,689.27	\$ 876,835.89	\$ 0.0758
2027	\$ 368,666.64	\$ 485,588.73	\$ 854,255.37	\$ 0.0739
2028	\$ 354,803.32	\$ 476,066.44	\$ 830,869.76	\$ 0.0719
2029	\$ 340,556.71	\$ 466,202.41	\$ 806,759.12	\$ 0.0698
2030		\$ 455,996.71	\$ 455,996.71	\$ 0.0394
2031		\$ 445,449.73	\$ 445,449.73	\$ 0.0385
2032		\$ 434,586.54	\$ 434,586.54	\$ 0.0376
2033		\$ 423,490.71	\$ 423,490.71	\$ 0.0366
2034		\$ 412,220.97	\$ 412,220.97	\$ 0.0356
2035		\$ 400,777.65	\$ 400,777.65	\$ 0.0347
2036		\$ 389,160.74	\$ 389,160.74	\$ 0.0337
2037		\$ 377,378.24	\$ 377,378.24	\$ 0.0326
2038		\$ 365,458.00	\$ 365,458.00	\$ 0.0316
2039		\$ 353,419.88	\$ 353,419.88	\$ 0.0306
2040		\$ 341,263.97	\$ 341,263.97	\$ 0.0295
2041		\$ 328,990.04	\$ 328,990.04	\$ 0.0285
2042		\$ 316,609.09	\$ 316,609.09	\$ 0.0274
	<u>\$ 6,462,207.10</u>	<u>\$ 11,375,555.38</u>	<u>\$ 17,837,762.48</u>	

Prepared by John O'Connor 1/22/16

Police and Fire Project Debt Service Cost - Black Mountain Road Alternative (30 Year Bond)

Fiscal Year	Original Debt	New Debt	Total Payments	Tax Rate
2014	\$ 122,991.79		\$ 122,991.79	\$ 0.0106
2015	\$ 479,093.16		\$ 479,093.16	\$ 0.0414
2016	\$ 475,796.51		\$ 475,796.51	\$ 0.0411
2017	\$ 471,233.19	\$ 199,921.33	\$ 671,154.52	\$ 0.0580
2018	\$ 465,403.20	\$ 508,485.00	\$ 973,888.20	\$ 0.0842
2019	\$ 458,306.54	\$ 504,605.92	\$ 962,912.46	\$ 0.0833
2020	\$ 450,009.88	\$ 500,274.51	\$ 950,284.39	\$ 0.0822
2021	\$ 440,713.22	\$ 495,490.09	\$ 936,203.31	\$ 0.0810
2022	\$ 430,483.23	\$ 490,249.23	\$ 920,732.46	\$ 0.0796
2023	\$ 419,353.24	\$ 484,540.92	\$ 903,894.16	\$ 0.0782
2024	\$ 407,523.25	\$ 478,356.92	\$ 885,880.17	\$ 0.0766
2025	\$ 395,126.60	\$ 471,696.63	\$ 866,823.23	\$ 0.0750
2026	\$ 382,146.62	\$ 464,559.96	\$ 846,706.58	\$ 0.0732
2027	\$ 368,666.64	\$ 456,976.16	\$ 825,642.80	\$ 0.0714
2028	\$ 354,803.32	\$ 449,040.92	\$ 803,844.24	\$ 0.0695
2029	\$ 340,556.71	\$ 440,820.89	\$ 781,377.60	\$ 0.0676
2030		\$ 432,316.08	\$ 432,316.08	\$ 0.0374
2031		\$ 423,526.94	\$ 423,526.94	\$ 0.0366
2032		\$ 414,474.28	\$ 414,474.28	\$ 0.0358
2033		\$ 405,227.78	\$ 405,227.78	\$ 0.0350
2034		\$ 395,836.40	\$ 395,836.40	\$ 0.0342
2035		\$ 386,300.30	\$ 386,300.30	\$ 0.0334
2036		\$ 376,619.48	\$ 376,619.48	\$ 0.0326
2037		\$ 366,800.69	\$ 366,800.69	\$ 0.0317
2038		\$ 356,867.28	\$ 356,867.28	\$ 0.0309
2039		\$ 346,835.56	\$ 346,835.56	\$ 0.0300
2040		\$ 336,705.60	\$ 336,705.60	\$ 0.0291
2041		\$ 326,477.24	\$ 326,477.24	\$ 0.0282
2042		\$ 316,159.80	\$ 316,159.80	\$ 0.0273
2043		\$ 305,784.39	\$ 305,784.39	\$ 0.0264
2044		\$ 295,372.82	\$ 295,372.82	\$ 0.0255
2045		\$ 284,925.01	\$ 284,925.01	\$ 0.0246
2046		\$ 274,440.89	\$ 274,440.89	\$ 0.0237
2047		\$ 263,926.04	\$ 263,926.04	\$ 0.0228
	<u>\$ 6,462,207.10</u>	<u>\$ 12,253,615.06</u>	<u>\$ 18,715,822.16</u>	

Prepared by John O'Connor 1/22/16

Police and Fire Project Debt Service Cost - Black Mountain Road Alternative (20 Year Bond)

Fiscal Year	Original Debt	Tax Rate Original	New Debt	Tax Rate New	Total Payments	Tax Rate Total
2014	\$ 122,991.79	\$ 0.0106		\$ -	\$ 122,991.79	\$ 0.0106
2015	\$ 479,093.16	\$ 0.0414		\$ -	\$ 479,093.16	\$ 0.0414
2016	\$ 475,796.51	\$ 0.0411		\$ -	\$ 475,796.51	\$ 0.0411
2017	\$ 471,233.19	\$ 0.0408	\$ 176,906.34	\$ 0.0153	\$ 648,139.53	\$ 0.0561
2018	\$ 465,403.20	\$ 0.0402	\$ 607,933.05	\$ 0.0526	\$ 1,073,336.25	\$ 0.0928
2019	\$ 458,306.54	\$ 0.0396	\$ 602,114.46	\$ 0.0521	\$ 1,060,421.00	\$ 0.0917
2020	\$ 450,009.88	\$ 0.0389	\$ 595,617.28	\$ 0.0515	\$ 1,045,627.16	\$ 0.0904
2021	\$ 440,713.22	\$ 0.0381	\$ 588,440.72	\$ 0.0509	\$ 1,029,153.94	\$ 0.0890
2022	\$ 430,483.23	\$ 0.0372	\$ 580,579.51	\$ 0.0502	\$ 1,011,062.74	\$ 0.0874
2023	\$ 419,353.24	\$ 0.0363	\$ 572,016.97	\$ 0.0495	\$ 991,370.21	\$ 0.0857
2024	\$ 407,523.25	\$ 0.0352	\$ 562,740.98	\$ 0.0487	\$ 970,264.23	\$ 0.0839
2025	\$ 395,126.60	\$ 0.0342	\$ 552,750.54	\$ 0.0478	\$ 947,877.14	\$ 0.0820
2026	\$ 382,146.62	\$ 0.0330	\$ 542,045.49	\$ 0.0469	\$ 924,192.11	\$ 0.0799
2027	\$ 368,666.64	\$ 0.0319	\$ 530,669.76	\$ 0.0459	\$ 899,336.40	\$ 0.0778
2028	\$ 354,803.32	\$ 0.0307	\$ 518,766.90	\$ 0.0449	\$ 873,570.22	\$ 0.0755
2029	\$ 340,556.71	\$ 0.0295	\$ 506,436.93	\$ 0.0438	\$ 846,993.64	\$ 0.0732
2030		\$ -	\$ 493,679.79	\$ 0.0427	\$ 493,679.79	\$ 0.0427
2031		\$ -	\$ 480,496.09	\$ 0.0416	\$ 480,496.09	\$ 0.0416
2032		\$ -	\$ 466,917.09	\$ 0.0404	\$ 466,917.09	\$ 0.0404
2033		\$ -	\$ 453,047.26	\$ 0.0392	\$ 453,047.26	\$ 0.0392
2034		\$ -	\$ 438,960.16	\$ 0.0380	\$ 438,960.16	\$ 0.0380
2035		\$ -	\$ 424,656.01	\$ 0.0367	\$ 424,656.01	\$ 0.0367
2036		\$ -	\$ 410,134.81	\$ 0.0355	\$ 410,134.81	\$ 0.0355
2037		\$ -	\$ 395,406.66	\$ 0.0342	\$ 395,406.66	\$ 0.0342
Total	\$ 6,462,207.10		\$ 10,500,316.80		\$ 16,962,523.90	

Prepared by John O'Connor 2/2/16

DISTRIBUTED AT  
THE SELECT BOARD MEETING  
ON FEBRUARY 2, 2016

Police and Fire Project Debt Service Cost - Black Mountain Road Alternative (25 Year Bond)

Fiscal Year	Original Debt	Tax Rate Original	New Debt	Tax Rate New	Total Payments	Tax Rate Total
2014	\$ 122,991.79	\$ 0.0106		\$ -	\$ 122,991.79	\$ 0.0106
2015	\$ 479,093.16	\$ 0.0414		\$ -	\$ 479,093.16	\$ 0.0414
2016	\$ 475,796.51	\$ 0.0411		\$ -	\$ 475,796.51	\$ 0.0411
2017	\$ 471,233.19	\$ 0.0408	\$ 190,028.20	\$ 0.0164	\$ 661,261.39	\$ 0.0572
2018	\$ 465,403.20	\$ 0.0402	\$ 547,399.33	\$ 0.0473	\$ 1,012,802.53	\$ 0.0876
2019	\$ 458,306.54	\$ 0.0396	\$ 542,744.50	\$ 0.0469	\$ 1,001,051.04	\$ 0.0866
2020	\$ 450,009.88	\$ 0.0389	\$ 537,546.78	\$ 0.0465	\$ 987,556.66	\$ 0.0854
2021	\$ 440,713.22	\$ 0.0381	\$ 531,805.49	\$ 0.0460	\$ 972,518.71	\$ 0.0841
2022	\$ 430,483.23	\$ 0.0372	\$ 525,516.51	\$ 0.0454	\$ 955,999.74	\$ 0.0827
2023	\$ 419,353.24	\$ 0.0363	\$ 518,666.48	\$ 0.0449	\$ 938,019.72	\$ 0.0811
2024	\$ 407,523.25	\$ 0.0352	\$ 511,245.65	\$ 0.0442	\$ 918,768.90	\$ 0.0795
2025	\$ 395,126.60	\$ 0.0342	\$ 503,253.29	\$ 0.0435	\$ 898,379.89	\$ 0.0777
2026	\$ 382,146.62	\$ 0.0330	\$ 494,689.27	\$ 0.0428	\$ 876,835.89	\$ 0.0758
2027	\$ 368,666.64	\$ 0.0319	\$ 485,588.73	\$ 0.0420	\$ 854,255.37	\$ 0.0739
2028	\$ 354,803.32	\$ 0.0307	\$ 476,066.44	\$ 0.0412	\$ 830,869.76	\$ 0.0719
2029	\$ 340,556.71	\$ 0.0295	\$ 466,202.41	\$ 0.0403	\$ 806,759.12	\$ 0.0698
2030		\$ -	\$ 455,996.71	\$ 0.0394	\$ 455,996.71	\$ 0.0394
2031		\$ -	\$ 445,449.73	\$ 0.0385	\$ 445,449.73	\$ 0.0385
2032		\$ -	\$ 434,586.54	\$ 0.0376	\$ 434,586.54	\$ 0.0376
2033		\$ -	\$ 423,490.71	\$ 0.0366	\$ 423,490.71	\$ 0.0366
2034		\$ -	\$ 412,220.97	\$ 0.0356	\$ 412,220.97	\$ 0.0356
2035		\$ -	\$ 400,777.65	\$ 0.0347	\$ 400,777.65	\$ 0.0347
2036		\$ -	\$ 389,160.74	\$ 0.0337	\$ 389,160.74	\$ 0.0337
2037		\$ -	\$ 377,378.24	\$ 0.0326	\$ 377,378.24	\$ 0.0326
2038		\$ -	\$ 365,458.00	\$ 0.0316	\$ 365,458.00	\$ 0.0316
2039		\$ -	\$ 353,419.88	\$ 0.0306	\$ 353,419.88	\$ 0.0306
2040		\$ -	\$ 341,263.97	\$ 0.0295	\$ 341,263.97	\$ 0.0295
2041		\$ -	\$ 328,990.04	\$ 0.0285	\$ 328,990.04	\$ 0.0285
2042		\$ -	\$ 316,609.09	\$ 0.0274	\$ 316,609.09	\$ 0.0274
	<u>\$ 6,462,207.10</u>		<u>\$ 11,375,555.38</u>		<u>\$ 17,837,762.48</u>	

Prepared by John O'Connor 2/2/16

DISTRIBUTED AT  
THE SELECT BOARD MEETING  
ON FEBRUARY 2, 2016

Police and Fire Project Debt Service Cost - Black Mountain Road Alternative (30 Year Bond)

Fiscal Year	Original Debt	Tax Rate Original	New Debt	Tax Rate New	Total Payments	Tax Rate Total
2014	\$ 122,991.79	\$ 0.0106		\$ -	\$ 122,991.79	\$ 0.0106
2015	\$ 479,093.16	\$ 0.0414		\$ -	\$ 479,093.16	\$ 0.0414
2016	\$ 475,796.51	\$ 0.0411		\$ -	\$ 475,796.51	\$ 0.0411
2017	\$ 471,233.19	\$ 0.0408	\$ 199,921.33	\$ 0.0173	\$ 671,154.52	\$ 0.0580
2018	\$ 465,403.20	\$ 0.0402	\$ 508,485.00	\$ 0.0440	\$ 973,888.20	\$ 0.0842
2019	\$ 458,306.54	\$ 0.0396	\$ 504,605.92	\$ 0.0436	\$ 962,912.46	\$ 0.0833
2020	\$ 450,009.88	\$ 0.0389	\$ 500,274.51	\$ 0.0433	\$ 950,284.39	\$ 0.0822
2021	\$ 440,713.22	\$ 0.0381	\$ 495,490.09	\$ 0.0429	\$ 936,203.31	\$ 0.0810
2022	\$ 430,483.23	\$ 0.0372	\$ 490,249.23	\$ 0.0424	\$ 920,732.46	\$ 0.0796
2023	\$ 419,353.24	\$ 0.0363	\$ 484,540.92	\$ 0.0419	\$ 903,894.16	\$ 0.0782
2024	\$ 407,523.25	\$ 0.0352	\$ 478,356.92	\$ 0.0414	\$ 885,880.17	\$ 0.0766
2025	\$ 395,126.60	\$ 0.0342	\$ 471,696.63	\$ 0.0408	\$ 866,823.23	\$ 0.0750
2026	\$ 382,146.62	\$ 0.0330	\$ 464,559.96	\$ 0.0402	\$ 846,706.58	\$ 0.0732
2027	\$ 368,666.64	\$ 0.0319	\$ 456,976.16	\$ 0.0395	\$ 825,642.80	\$ 0.0714
2028	\$ 354,803.32	\$ 0.0307	\$ 449,040.92	\$ 0.0388	\$ 803,844.24	\$ 0.0695
2029	\$ 340,556.71	\$ 0.0295	\$ 440,820.89	\$ 0.0381	\$ 781,377.60	\$ 0.0676
2030		\$ -	\$ 432,316.08	\$ 0.0374	\$ 432,316.08	\$ 0.0374
2031		\$ -	\$ 423,526.94	\$ 0.0366	\$ 423,526.94	\$ 0.0366
2032		\$ -	\$ 414,474.28	\$ 0.0358	\$ 414,474.28	\$ 0.0358
2033		\$ -	\$ 405,227.78	\$ 0.0350	\$ 405,227.78	\$ 0.0350
2034		\$ -	\$ 395,836.40	\$ 0.0342	\$ 395,836.40	\$ 0.0342
2035		\$ -	\$ 386,300.30	\$ 0.0334	\$ 386,300.30	\$ 0.0334
2036		\$ -	\$ 376,619.48	\$ 0.0326	\$ 376,619.48	\$ 0.0326
2037		\$ -	\$ 366,800.69	\$ 0.0317	\$ 366,800.69	\$ 0.0317
2038		\$ -	\$ 356,867.28	\$ 0.0309	\$ 356,867.28	\$ 0.0309
2039		\$ -	\$ 346,835.56	\$ 0.0300	\$ 346,835.56	\$ 0.0300
2040		\$ -	\$ 336,705.60	\$ 0.0291	\$ 336,705.60	\$ 0.0291
2041		\$ -	\$ 326,477.24	\$ 0.0282	\$ 326,477.24	\$ 0.0282
2042		\$ -	\$ 316,159.80	\$ 0.0273	\$ 316,159.80	\$ 0.0273
2043		\$ -	\$ 305,784.39	\$ 0.0264	\$ 305,784.39	\$ 0.0264
2044		\$ -	\$ 295,372.82	\$ 0.0255	\$ 295,372.82	\$ 0.0255
2045		\$ -	\$ 284,925.01	\$ 0.0246	\$ 284,925.01	\$ 0.0246
2046		\$ -	\$ 274,440.89	\$ 0.0237	\$ 274,440.89	\$ 0.0237
2047		\$ -	\$ 263,926.04	\$ 0.0228	\$ 263,926.04	\$ 0.0228
	<b>\$ 6,462,207.10</b>		<b>\$ 12,253,615.06</b>		<b>\$ 18,715,822.16</b>	

Prepared by John O'Connor 2/2/16

DISTRIBUTED AT  
THE SELECTBOARD MEETING  
ON FEBRUARY 2, 2016

**Q1 Central Fire Station** Current plans to build an addition at Central Fire Station and renovate the existing station are expected to meet the needs of the community and the Fire Department for 20+ years. This work is estimated to cost approximately \$6,188,490 and would yield the following primary improvements:

- a. Bays big enough for standard fire trucks to fit in the building.
- b. Exhaust systems to keep hazardous fumes out of firefighters' living quarters.
- c. A tower that allows hose to be dried and training to occur on site.
- d. Decontamination facilities.
- e. Unstable and deteriorating walkways and floors repaired.
- f. Handicap accessibility as required by law.
- g. Improved work flow.

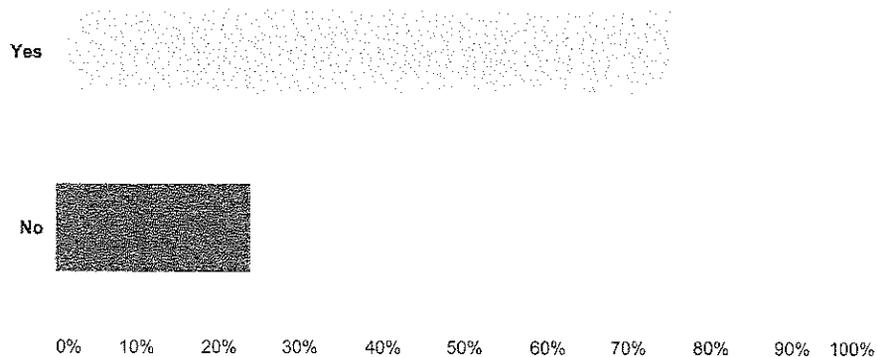
Do you believe this work should be done at this cost?

505 ONLINE  
 18 PAPER  


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 523 TOTAL

Answered: 488 Skipped: 17



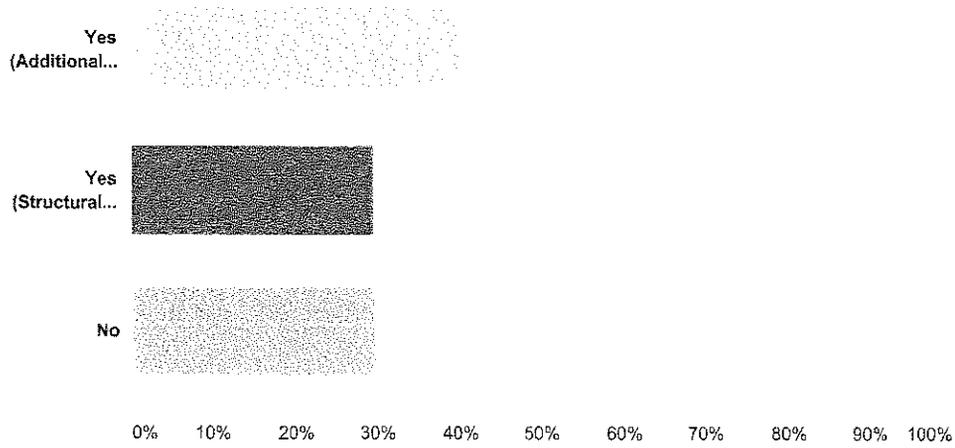
**Answer Choices**

**Responses**

Yes	76.02%	76.59%	386	371
No	23.98%	23.41%	118	117
<b>Total</b>			<b>504</b>	<b>488</b>

**Q2 Plans for Central Fire Station can be expanded to include an additional story at an added cost of about \$550,000, or to include structural elements at an additional cost of about \$175,000 that would enable construction of an additional story at a later date. Are you in favor of this additional expenditure?**

Answered: 482 Skipped: 23



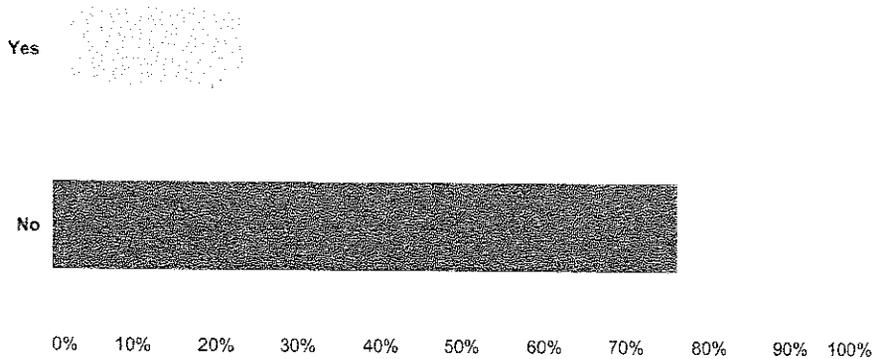
**Answer Choices**

**Responses**

Yes (Additional Story Now)	40.44 %	40.66%	201	196
Yes (Structural Support for Future Additional Story)	28.97 %	29.46%	144	142
No	30.58 %	29.88%	152	144
<b>Total</b>			<b>497</b>	<b>482</b>

**Q3 An alternate plan for Central Fire Station would not build an addition there. Instead, at an estimated cost of approximately \$2,500,000, it would install an exhaust removal system and emergency generator, remediate asbestos, replace the roof, upgrade electric and plumbing, structurally repair the catwalk, make improvements to meet handicap access laws, and build a metal outside garage for large equipment. It is likely that more improvements would be required at Central Fire Station in the coming years, Do you prefer this alternative plan for Central Fire Station?**

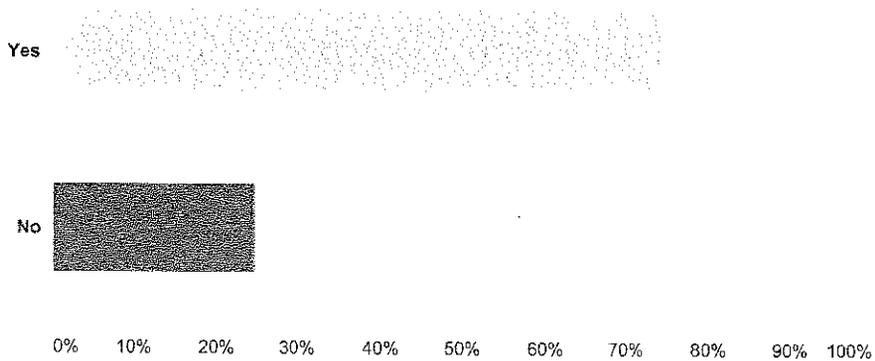
Answered: 466 Skipped: 37



Answer Choices	Responses			
Yes	23.72%	23.40%	113	111
No	76.28%	76.60%	370	357
<b>Total</b>			<b>483</b>	<b>468</b>

**Q4 West Brattleboro Fire Station** Current plans for West Brattleboro Fire Station would replace it with a new building at an estimated cost of approximately \$1,478,730. This would provide truck bays big enough for equipment meeting current standards, safe and healthy living quarters for firefighters, and other operational improvements. Do you believe this work should be done at this cost?

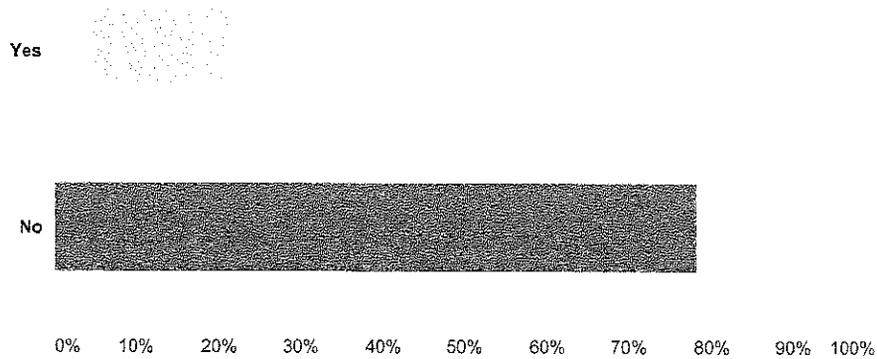
Answered: 482 Skipped: 23



Answer Choices	Responses			
Yes	75.10%	75.45%	375	362
No	24.90%	24.55%	122	120
<b>Total</b>			<b>497</b>	<b>482</b>

**Q5 An alternative work plan for West Brattleboro Fire Station is to install an exhaust removal system and an emergency generator, to remediate mold, to replace the roof and windows, and to make improvements to meet handicap access laws, at an estimated cost of approximately \$400,000, However, if this plan is adopted, modern replacement fire trucks that need to be bought in the coming years would not fit in the building. Do you prefer this alternative plan for West Brattleboro Fire Station?**

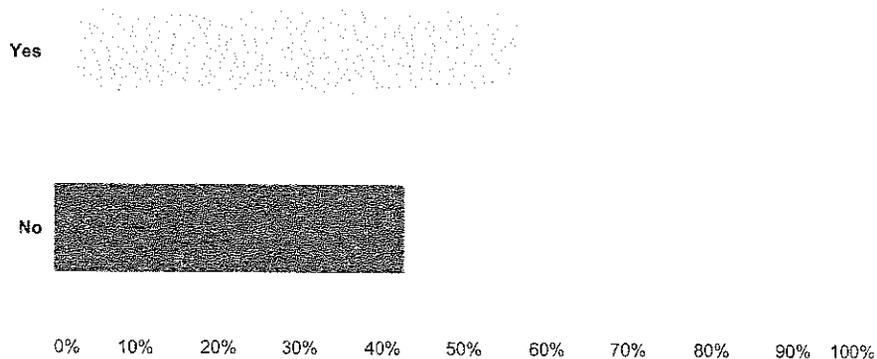
Answered: 464 Skipped: 41



Answer Choices	Responses			
Yes	21.77%	21.83%	105	101
No	78.23%	78.17%	376	363
<b>Total</b>			<b>481</b>	<b>464</b>

**Q6 Police Station** The Town has purchased an option to buy the current Brattleboro Reformer building on Black Mountain Road for use as a new Brattleboro Police Station. This building can be purchased and renovated at an estimated total cost of \$4,137,320 and it is expected that no additional significant investment would be required for Police Department facilities during the next 20+ years, This is the least expensive alternative for fully modernizing the Police Department's facilities. It would leave vacant space at the Municipal Center to be leased or otherwise re-used. Are you in favor of relocating the Brattleboro Police Department from the Municipal Center to Black Mountain Road?

Answered: 482 Skipped: 23



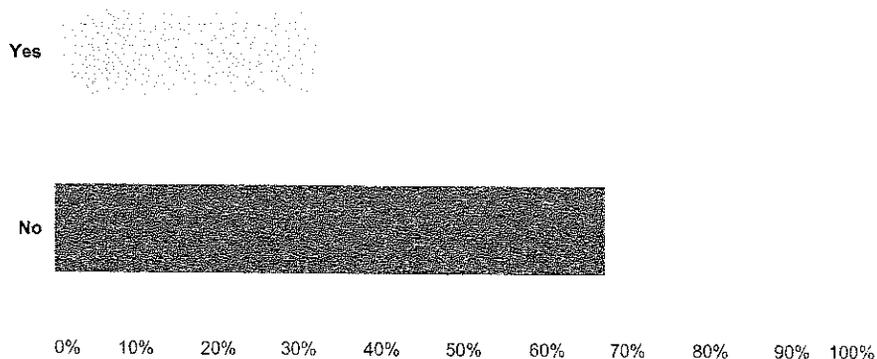
Answer Choices	Responses			
Yes	57.26%	55.32 %	265	276
No	42.74%	44.68 %	214	266
<b>Total</b>			<b>479</b>	<b>482</b>

**Q7 If the Police Department remains at the Municipal Center, one alternative is to build a one story addition and to do significant interior renovations to the basement and to the first and second floors at the Municipal Center to improve Police Department headquarters. This work would address operational issues for patrol, detective, management, dispatch, and support personnel at the Brattleboro Police Department, providing for:**

- a. Safer custody of prisoners through new cellblock and sallyport.**
- b. Renovated dispatch facilities.**
- c. Improved evidence, equipment, and weapons storage and handling.**
- d. Separate changing facilities for men and women police officers.**
- e. Safe and private space for citizens to meet with police officers.**
- f. Mold and moisture remediation.**
- g. Improved workflow and meeting spaces for police divisions and management.**

**Doing this work at the Municipal Center is estimated to cost about \$5,112,500, It is expected that no additional significant investment would be required for Police Department facilities during the next 20+ years. Do you believe this work should be done at this cost?**

Answered: 471 Skipped: 34

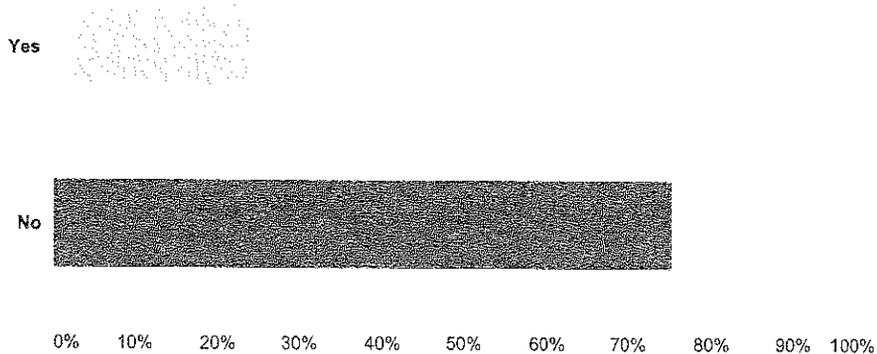


Town of Brattleboro Police and Fire Facilities Project Questionnaire January 2016

Answer Choices	Responses			
Yes	32.70%	33.13 %	161	154
No	67.30%	66.87 %	325	317
Total			486	471

**Q8 An alternate plan that would keep the Police Department at the Municipal Center would replace the dispatch system, remediate mold, build a sallyport and improve access to the current cellblock, provide for separate locker rooms for men and women police officers, improve evidence and equipment storage and handling, address minimum citizen privacy and officer safety improvements, and provide handicap accessibility. This alternative work is estimated to cost about \$2,500,000, but would leave the Police Department with space that is less than optimal for its efficient and safe operation. Additional work would likely be required in less than 20 years. Do you believe this work plan should be adopted?**

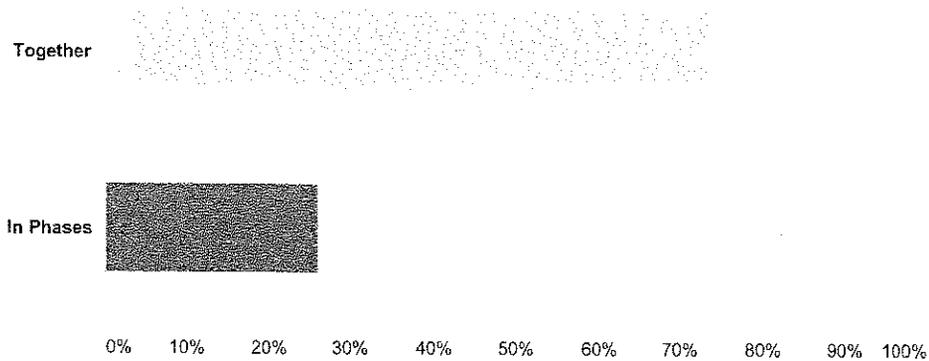
Answered: 481 Skipped: 24



Answer Choices	Responses			
Yes	24.53%	24.29 %	120	118
No	75.47%	75.71 %	374	363
<b>Total</b>			<b>494</b>	<b>481</b>

**Q9 Overall Project Completing improvements to the Police and Fire facilities at one time will reduce the long term total cost of the project (due to the combined impacts of construction cost inflation and rising interest rates if the projects are staged or deferred). Phasing the project to complete some work now and some work later will reduce the immediate cost of the project in FY 17 and FY 18. Do you believe improvements to the police and fire stations should be done together or in phases?**

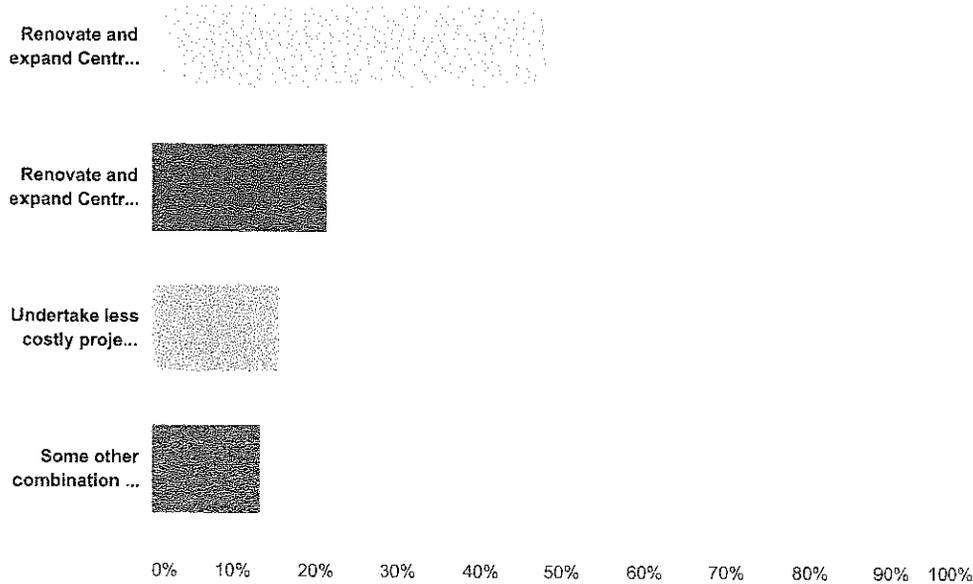
Answered: 478 Skipped: 27



Answer Choices	Responses			
Together	73.85%	74.49 %	368	353
In Phases	26.15%	25.51 %	126	125
<b>Total</b>			<b>494</b>	<b>478</b>

**Q10 A number of alternative plans are identified above for improvements to Brattleboro's emergency services facilities, with different costs. Which do you prefer:**

Answered: 464 Skipped: 41



**Answer Choices**

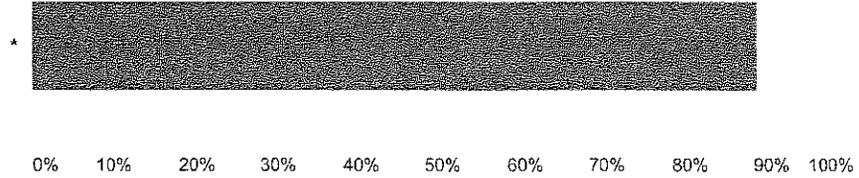
**Responses**

Renovate and expand Central Fire Station, replace West Brattleboro Fire Station, and move Police Department to Black Mountain Road at a total cost of approximately \$11,800,000. This alternative would require \$7,760,000 of additional borrowing.*	48.45%	234	228
Renovate and expand Central Fire Station, replace West Brattleboro Fire Station, and keep Police Department in Municipal Center with major improvements there at a total cost of approximately \$12,800,000. This alternative would require \$8,760,000 of additional borrowing.*	21.95%	106	100
Undertake less costly project that will make minimum improvements to Police and Fire facilities at a total cost of approximately \$5,400,000. This alternative would require \$1,360,000 of additional borrowing.*	15.73%	76	74
Some other combination of the alternatives described above (please specify in box below):	13.87%	67	62
<b>Total</b>		<b>483</b>	<b>464</b>

### Q11 Optional

Answered: 188 Skipped: 317

Enter Name  
Address and...



**Answer Choices**

**Responses**

Enter Name Address and Email Below	11.70%	22
*	88.30%	166
<b>Total</b>		<b>188</b>

# MEMORANDUM

To: Selectboard

From: Peter B. Elwell, Town Manager

Re: Police-Fire Facilities Project –  
Debt Service Cost Comparisons  
for the Various Project Alternatives

Date: January 8, 2016



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In preparation for our consideration of this matter at the January 12 Selectboard meeting, attached are four tables with information about the debt service cost implications of the several alternatives still being considered for this project. All alternatives include the full proposed projects for both fire stations. For the Police Department, the alternatives are the full proposed projects at Black Mountain Road and at the Municipal Center ("Option A"), and the "Minimum Prudent" alternative. The "Minimum Prudent" alternative is shown with both a 10-year debt service schedule and a 20-year debt service schedule for the police portion of the project, since we should borrow for only 10 years if we expect to do additional substantive improvements to the police facilities during the next 20 years.

The four tables are as follows:

- The "new borrowing" debt service summary for each alternative in the same format as our October staff report and our November/December public meeting presentations.
- The "all in" debt service summary (including the costs for debt service on the first \$5,000,000 borrowed in 2013) for each alternative in the same format as our October staff report and our November/December public meeting presentations.
- A year-by-year schedule of debt service both on our existing unpaid debt and on the new borrowing for each of the above referenced alternatives.
- The FY17 and FY18 property tax implications of the various alternatives with the use of currently available excess unassigned General Fund balance either all in FY17, all in FY18, or 50% in each of those two years. (This is the same table included in your meeting materials for consideration under the "FY17 Budget - Use of Fund Balance" January 12 agenda item.)

Staff looks forward to assisting the Selectboard in your further consideration of the project alternatives as you decide which one to forward to Representative Town Meeting for authorization.

PBE:

Attachments

c: Patrick Moreland, Assistant Town Manager  
John O'Connor, Finance Director  
Michael Fitzgerald, Police Chief  
Michael Bucossi, Fire Chief

Police/Fire Facilities Project Financial Impact New Debt

	Fire with Police Minimum Prudent	Fire with Police Minimum Prudent	Black Mtn Rd Option	Police Option A	2013 Plan With Inflation
Additional Borrowing Required (20 Year)	\$ 6,122,547.00	\$ 3,622,547.00	\$ 7,759,867.00	\$ 8,735,045.00	\$ 10,024,009.00
Additional Borrowing Required (10 Year)		\$ 2,500,000.00			
Interest Rate on 20 Year Bond	3.269%	3.269%	3.269%	3.269%	3.269%
Interest Rate on 10 Year Bond		2.573%			
Total Interest Paid	\$ 2,162,219.11	\$ 1,652,443.56	\$ 2,740,449.80	\$ 3,084,840.54	\$ 3,540,046.94
FY2018 Debt Service	\$ 479,660.11	\$ 590,192.13	\$ 607,933.05	\$ 684,331.64	\$ 785,313.24
Estimated Grand List	\$ 11,563,137.43	\$ 11,563,137.43	\$ 11,563,137.43	\$ 11,563,137.43	\$ 11,563,137.43
FY2018 Tax Rate Impact	\$ 0.0415	\$ 0.0510	\$ 0.0526	\$ 0.0592	\$ 0.0679
FY2018 Impact on \$100,000 Assessment	\$ 41.48	\$ 51.04	\$ 52.58	\$ 59.18	\$ 67.92
FY2018 Impact on \$150,000 Assessment	\$ 62.22	\$ 76.56	\$ 78.86	\$ 88.77	\$ 101.87
FY2018 Impact on \$200,000 Assessment	\$ 82.96	\$ 102.08	\$ 105.15	\$ 118.36	\$ 135.83
FY2018 Impact on \$250,000 Assessment	\$ 103.70	\$ 127.60	\$ 131.44	\$ 147.96	\$ 169.79
FY2018 Impact on \$300,000 Assessment	\$ 124.45	\$ 153.12	\$ 157.73	\$ 177.55	\$ 203.75

Prepared by John O'Connor 1/8/16

Police/Fire Facilities Project Financial Impact Total of All Debt

	Fire with Police		Fire with Police		Black Mtn Rd		Police		2013 Plan	
	Minimum Prudent	Minimum Prudent	Minimum Prudent	Option	Option A	With Inflation				
Original Borrowing (15 Year)	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00
Additional Borrowing Required (20 Year)	\$ 6,122,547.00	\$ 3,622,547.00	\$ 3,622,547.00	\$ 7,759,867.00	\$ 8,735,045.00	\$ 10,024,009.00				
Additional Borrowing Required (10 Year)		\$ 2,500,000.00								
Interest Rate on 15 Year Bond	3.508%	3.508%	3.508%	3.508%	3.508%	3.508%				3.508%
Interest Rate on 20 Year Bond	3.269%	3.269%	3.269%	3.269%	3.269%	3.269%				3.269%
Interest Rate on 10 Year Bond			2.573%							
Total Interest Paid	\$ 3,624,426.21	\$ 3,114,650.66	\$ 3,114,650.66	\$ 4,202,656.90	\$ 4,547,047.64	\$ 5,002,254.04				
Total Principal and Interest	\$ 14,746,973.21	\$ 14,237,197.66	\$ 14,237,197.66	\$ 16,962,523.90	\$ 18,282,092.64	\$ 20,026,263.04				
Fiscal Year 2018 Debt Service	\$ 945,063.31	\$ 1,055,595.33	\$ 1,055,595.33	\$ 1,073,336.25	\$ 1,149,734.84	\$ 1,250,716.44				
FY2018 Tax Rate Impact	\$ 0.0817	\$ 0.0913	\$ 0.0913	\$ 0.0928	\$ 0.0994	\$ 0.1082				
FY2018 Impact on \$100,000 Assessment	\$ 81.73	\$ 91.29	\$ 91.29	\$ 92.82	\$ 99.43	\$ 108.16				
FY2018 Impact on \$150,000 Assessment	\$ 122.60	\$ 136.93	\$ 136.93	\$ 139.24	\$ 149.15	\$ 162.25				
FY2018 Impact on \$200,000 Assessment	\$ 163.46	\$ 182.58	\$ 182.58	\$ 185.65	\$ 198.86	\$ 216.33				
FY2018 Impact on \$250,000 Assessment	\$ 204.33	\$ 228.22	\$ 228.22	\$ 232.06	\$ 248.58	\$ 270.41				
FY2018 Impact on \$300,000 Assessment	\$ 245.19	\$ 273.87	\$ 273.87	\$ 278.47	\$ 298.29	\$ 324.49				

Prepared by John O'Connor 1/11/16

Police and Fire Project Debt Service Cost - Full Fire plus Minimum Prudent Police (20-year Bond)

Fiscal Year	Original Debt	New Debt	Total Payments	Tax Rate
	\$ 122,991.79		\$ 122,991.79	\$ 0.0106
2015	\$ 479,093.16		\$ 479,093.16	\$ 0.0414
2016	\$ 475,796.51		\$ 475,796.51	\$ 0.0411
2017	\$ 471,233.19	\$ 139,579.38	\$ 610,812.57	\$ 0.0528
2018	\$ 465,403.20	\$ 479,660.11	\$ 945,063.31	\$ 0.0817
2019	\$ 458,306.54	\$ 475,069.24	\$ 933,375.78	\$ 0.0807
2020	\$ 450,009.88	\$ 469,942.95	\$ 919,952.83	\$ 0.0796
2021	\$ 440,713.22	\$ 464,280.64	\$ 904,993.86	\$ 0.0783
2022	\$ 430,483.23	\$ 458,078.13	\$ 888,561.36	\$ 0.0768
2023	\$ 419,353.24	\$ 451,322.27	\$ 870,675.51	\$ 0.0753
2024	\$ 407,523.25	\$ 444,003.50	\$ 851,526.75	\$ 0.0736
2025	\$ 395,126.60	\$ 436,121.02	\$ 831,247.62	\$ 0.0719
2026	\$ 382,146.62	\$ 427,674.72	\$ 809,821.34	\$ 0.0700
2027	\$ 368,666.64	\$ 418,699.25	\$ 787,365.89	\$ 0.0681
2028	\$ 354,803.32	\$ 409,307.88	\$ 764,111.20	\$ 0.0661
2029	\$ 340,556.71	\$ 399,579.52	\$ 740,136.23	\$ 0.0640
2030		\$ 389,514.11	\$ 389,514.11	\$ 0.0337
2031		\$ 379,112.15	\$ 379,112.15	\$ 0.0328
2032		\$ 368,398.31	\$ 368,398.31	\$ 0.0319
2033		\$ 357,454.99	\$ 357,454.99	\$ 0.0309
2034		\$ 346,340.24	\$ 346,340.24	\$ 0.0300
2035		\$ 335,054.24	\$ 335,054.24	\$ 0.0290
2036		\$ 323,597.00	\$ 323,597.00	\$ 0.0280
2037		\$ 311,976.46	\$ 311,976.46	\$ 0.0270
Total	\$ 6,462,207.10	\$ 8,284,766.11	\$ 14,746,973.21	

Prepared by John O'Connor 1/12/16

Police and Fire Project Debt Service Cost - Full Fire plus Minimum Prudent Police (10-year Bond)

Fiscal Year	Original Debt	New Debt	Total Payments	Tax Rate
2014	\$ 122,991.79		\$ 122,991.79	\$ 0.0106
2015	\$ 479,093.16		\$ 479,093.16	\$ 0.0414
2016	\$ 475,796.51		\$ 475,796.51	\$ 0.0411
2017	\$ 471,233.19	\$ 128,952.45	\$ 600,185.64	\$ 0.0519
2018	\$ 465,403.20	\$ 590,192.13	\$ 1,055,595.33	\$ 0.0913
2019	\$ 458,306.54	\$ 583,321.61	\$ 1,041,628.15	\$ 0.0901
2020	\$ 450,009.88	\$ 575,722.08	\$ 1,025,731.96	\$ 0.0887
2021	\$ 440,713.22	\$ 567,392.64	\$ 1,008,105.86	\$ 0.0872
2022	\$ 430,483.23	\$ 558,327.43	\$ 988,810.66	\$ 0.0855
2023	\$ 419,353.24	\$ 548,507.94	\$ 967,861.18	\$ 0.0837
2024	\$ 407,523.25	\$ 537,920.65	\$ 945,443.90	\$ 0.0818
2025	\$ 395,126.60	\$ 526,564.47	\$ 921,691.07	\$ 0.0797
2026	\$ 382,146.62	\$ 514,439.32	\$ 896,585.94	\$ 0.0775
2027	\$ 368,666.64	\$ 501,594.68	\$ 870,261.32	\$ 0.0753
2028	\$ 354,803.32	\$ 242,176.50	\$ 596,979.82	\$ 0.0516
2029	\$ 340,556.71	\$ 236,420.49	\$ 576,977.20	\$ 0.0499
2030		\$ 230,465.06	\$ 230,465.06	\$ 0.0199
2031		\$ 224,310.50	\$ 224,310.50	\$ 0.0194
2032		\$ 217,971.41	\$ 217,971.41	\$ 0.0189
2033		\$ 211,496.54	\$ 211,496.54	\$ 0.0183
2034		\$ 204,920.24	\$ 204,920.24	\$ 0.0177
2035		\$ 198,242.62	\$ 198,242.62	\$ 0.0171
2036		\$ 191,463.67	\$ 191,463.67	\$ 0.0166
2037		\$ 184,588.11	\$ 184,588.11	\$ 0.0160
Total	\$ 6,462,207.10	\$ 7,774,990.56	\$ 14,237,197.66	

Prepared by John O'Connor 1/12/16

Police and Fire Project Debt Service Cost - Black Mountain Road Alternative

Fiscal Year	Original Debt	New Debt	Total Payments	Tax Rate
2014	\$ 122,991.79		\$ 122,991.79	\$ 0.0106
2015	\$ 479,093.16		\$ 479,093.16	\$ 0.0414
2016	\$ 475,796.51		\$ 475,796.51	\$ 0.0411
2017	\$ 471,233.19	\$ 176,906.34	\$ 648,139.53	\$ 0.0561
2018	\$ 465,403.20	\$ 607,933.05	\$ 1,073,336.25	\$ 0.0928
2019	\$ 458,306.54	\$ 602,114.46	\$ 1,060,421.00	\$ 0.0917
2020	\$ 450,009.88	\$ 595,617.28	\$ 1,045,627.16	\$ 0.0904
2021	\$ 440,713.22	\$ 588,440.72	\$ 1,029,153.94	\$ 0.0890
2022	\$ 430,483.23	\$ 580,579.51	\$ 1,011,062.74	\$ 0.0874
2023	\$ 419,353.24	\$ 572,016.97	\$ 991,370.21	\$ 0.0857
2024	\$ 407,523.25	\$ 562,740.98	\$ 970,264.23	\$ 0.0839
2025	\$ 395,126.60	\$ 552,750.54	\$ 947,877.14	\$ 0.0820
2026	\$ 382,146.62	\$ 542,045.49	\$ 924,192.11	\$ 0.0799
2027	\$ 368,666.64	\$ 530,669.76	\$ 899,336.40	\$ 0.0778
2028	\$ 354,803.32	\$ 518,766.90	\$ 873,570.22	\$ 0.0755
2029	\$ 340,556.71	\$ 506,436.93	\$ 846,993.64	\$ 0.0732
2030		\$ 493,679.79	\$ 493,679.79	\$ 0.0427
2031		\$ 480,496.09	\$ 480,496.09	\$ 0.0416
2032		\$ 466,917.09	\$ 466,917.09	\$ 0.0404
2033		\$ 453,047.26	\$ 453,047.26	\$ 0.0392
2034		\$ 438,960.16	\$ 438,960.16	\$ 0.0380
2035		\$ 424,656.01	\$ 424,656.01	\$ 0.0367
2036		\$ 410,134.81	\$ 410,134.81	\$ 0.0355
2037		\$ 395,406.66	\$ 395,406.66	\$ 0.0342
Total	\$ 6,462,207.10	\$ 10,500,316.80	\$ 16,962,523.90	

Prepared by John O'Connor 1/12/16

Police and Fire Project Debt Service Cost - Municipal Center Option A

Fiscal Year	Original Debt	New Debt	Total Payments	Tax Rate
2014	\$ 122,991.79		\$ 122,991.79	\$ 0.0106
2015	\$ 479,093.16		\$ 479,093.16	\$ 0.0414
2016	\$ 475,796.51		\$ 475,796.51	\$ 0.0411
2017	\$ 471,233.19	\$ 199,138.06	\$ 670,371.25	\$ 0.0580
2018	\$ 465,403.20	\$ 684,331.64	\$ 1,149,734.84	\$ 0.0994
2019	\$ 458,306.54	\$ 677,781.84	\$ 1,136,088.38	\$ 0.0983
2020	\$ 450,009.88	\$ 670,468.16	\$ 1,120,478.04	\$ 0.0969
2021	\$ 440,713.22	\$ 662,389.73	\$ 1,103,102.95	\$ 0.0954
2022	\$ 430,483.23	\$ 653,540.61	\$ 1,084,023.84	\$ 0.0937
2023	\$ 419,353.24	\$ 643,902.01	\$ 1,063,255.25	\$ 0.0920
2024	\$ 407,523.25	\$ 633,460.31	\$ 1,040,983.56	\$ 0.0900
2025	\$ 395,126.60	\$ 622,214.38	\$ 1,017,340.98	\$ 0.0880
2026	\$ 382,146.62	\$ 610,164.03	\$ 992,310.65	\$ 0.0858
2027	\$ 368,666.64	\$ 597,358.72	\$ 966,025.36	\$ 0.0835
2028	\$ 354,803.32	\$ 583,960.03	\$ 938,763.35	\$ 0.0812
2029	\$ 340,556.71	\$ 570,080.57	\$ 910,637.28	\$ 0.0788
2030		\$ 555,720.24	\$ 555,720.24	\$ 0.0481
2031		\$ 540,879.75	\$ 540,879.75	\$ 0.0468
2032		\$ 525,594.30	\$ 525,594.30	\$ 0.0455
2033		\$ 509,981.45	\$ 509,981.45	\$ 0.0441
2034		\$ 494,124.03	\$ 494,124.03	\$ 0.0427
2035		\$ 478,022.28	\$ 478,022.28	\$ 0.0413
2036		\$ 461,676.22	\$ 461,676.22	\$ 0.0399
2037		\$ 445,097.19	\$ 445,097.19	\$ 0.0385
Total	\$ 6,462,207.10	\$ 11,819,885.54	\$ 18,282,092.64	

Prepared by John O'Connor 1/12/16

Police and Fire Project Debt Service Cost - 2013 Plan Updated for Inflation

Fiscal Year	Original Debt	New Debt	Total Payments	Tax Rate
2014	\$ 122,991.79		\$ 122,991.79	\$ 0.0106
2015	\$ 479,093.16		\$ 479,093.16	\$ 0.0414
2016	\$ 475,796.51		\$ 475,796.51	\$ 0.0411
2017	\$ 471,233.19	\$ 228,523.35	\$ 699,756.54	\$ 0.0605
2018	\$ 465,403.20	\$ 785,313.24	\$ 1,250,716.44	\$ 0.1082
2019	\$ 458,306.54	\$ 777,796.94	\$ 1,236,103.48	\$ 0.1069
2020	\$ 450,009.88	\$ 769,404.04	\$ 1,219,413.92	\$ 0.1055
2021	\$ 440,713.22	\$ 760,133.53	\$ 1,200,846.75	\$ 0.1039
2022	\$ 430,483.23	\$ 749,978.61	\$ 1,180,461.84	\$ 0.1021
2023	\$ 419,353.24	\$ 738,917.72	\$ 1,158,270.96	\$ 0.1002
2024	\$ 407,523.25	\$ 726,935.22	\$ 1,134,458.47	\$ 0.0981
2025	\$ 395,126.60	\$ 714,029.81	\$ 1,109,156.41	\$ 0.0959
2026	\$ 382,146.62	\$ 700,201.29	\$ 1,082,347.91	\$ 0.0936
2027	\$ 368,666.64	\$ 685,506.39	\$ 1,054,173.03	\$ 0.0912
2028	\$ 354,803.32	\$ 670,130.56	\$ 1,024,933.88	\$ 0.0886
2029	\$ 340,556.71	\$ 654,203.01	\$ 994,759.72	\$ 0.0860
2030		\$ 637,723.64	\$ 637,723.64	\$ 0.0552
2031		\$ 620,693.25	\$ 620,693.25	\$ 0.0537
2032		\$ 603,152.24	\$ 603,152.24	\$ 0.0522
2033		\$ 585,235.53	\$ 585,235.53	\$ 0.0506
2034		\$ 567,038.14	\$ 567,038.14	\$ 0.0490
2035		\$ 548,560.38	\$ 548,560.38	\$ 0.0474
2036		\$ 529,802.26	\$ 529,802.26	\$ 0.0458
2037		\$ 510,776.79	\$ 510,776.79	\$ 0.0442
Total	\$ 6,462,207.10	\$ 13,564,055.94	\$ 20,026,263.04	

Prepared by John O'Connor 1/12/16

Use of Unassigned Fund Balance

Assumptions

Grand List	\$ 11,563,137.00
FY2018 Expense Increase (2.0%)	\$ 322,287.00
Available Fund Balance	\$ 268,450.00

	Use Fund Balance All in 2017	Use Fund Balance All in 2018	Use Fund Balance 50% Each Year
FY2017 Tax Increase Operating	\$ 79,468.00	\$ 347,918.00	\$ 213,693.00
FY2017 Tax Rate Increase Operating	\$ 0.0069	\$ 0.0301	\$ 0.0185
FY2018 Tax Increase Minimum Plus	\$ 488,315.26	\$ 219,865.26	\$ 354,090.26
FY2018 Tax Rate Increase Minimum Plus	\$ 0.0422	\$ 0.0190	\$ 0.0306
FY2018 Tax Increase Police Minimum + (20)	\$ 801,947.11	\$ 533,497.11	\$ 667,722.11
FY2018 Tax Rate Increase Police Minimum + (20)	\$ 0.0694	\$ 0.0461	\$ 0.0577
FY2018 Tax Increase Police Minimum + (10)	\$ 912,479.13	\$ 644,029.13	\$ 778,254.13
FY2018 Tax Rate Increase Police Minimum + (10)	\$ 0.0789	\$ 0.0557	\$ 0.0673
FY2018 Tax Increase Black Mountain	\$ 930,220.05	\$ 661,770.05	\$ 795,995.05
FY2018 Tax Rate Increase Black Mountain	\$ 0.0804	\$ 0.0572	\$ 0.0688
FY2018 Tax Increase Option A	\$ 1,006,618.64	\$ 738,168.64	\$ 872,393.64
FY2018 Tax Rate Increase Option A	\$ 0.0871	\$ 0.0638	\$ 0.0754

Prepared by John O'Connor on 1/8/16

General Fund Debt Service Cost

Fiscal Year	Current Debt	North End	Total	Option A	Total	Minimum + (10)	Total	Minimum + (20)	Total
2015	\$ 1,310,854.70		\$ 1,310,854.70		\$ 1,310,854.70		\$ 1,310,854.70		\$ 1,310,854.70
2016	\$ 1,237,855.88		\$ 1,237,855.88		\$ 1,237,855.88		\$ 1,237,855.88		\$ 1,237,855.88
2017	\$ 1,268,304.94	\$ 176,906.34	\$ 1,445,211.28	\$ 199,138.06	\$ 1,467,443.00	\$ 128,952.45	\$ 1,397,257.39	\$ 139,579.38	\$ 1,407,884.32
2018	\$ 994,300.35	\$ 607,933.05	\$ 1,602,233.40	\$ 684,331.64	\$ 1,678,631.99	\$ 590,192.13	\$ 1,584,492.48	\$ 479,660.11	\$ 1,473,960.46
2019	\$ 860,897.19	\$ 602,114.46	\$ 1,463,011.65	\$ 677,781.84	\$ 1,538,679.03	\$ 583,321.61	\$ 1,444,218.80	\$ 475,069.24	\$ 1,335,966.43
2020	\$ 846,595.68	\$ 595,617.28	\$ 1,442,212.96	\$ 670,468.16	\$ 1,517,063.84	\$ 575,722.08	\$ 1,422,317.76	\$ 469,942.95	\$ 1,316,538.63
2021	\$ 668,888.17	\$ 588,440.72	\$ 1,257,328.89	\$ 662,389.73	\$ 1,331,277.90	\$ 567,392.64	\$ 1,236,280.81	\$ 464,280.64	\$ 1,133,168.81
2022	\$ 650,797.53	\$ 580,579.51	\$ 1,231,377.04	\$ 653,540.61	\$ 1,304,338.14	\$ 558,327.43	\$ 1,209,124.96	\$ 458,078.13	\$ 1,108,875.66
2023	\$ 509,955.96	\$ 572,016.97	\$ 1,081,972.93	\$ 643,902.01	\$ 1,153,857.97	\$ 548,507.94	\$ 1,058,463.90	\$ 451,322.27	\$ 961,278.23
2024	\$ 470,841.75	\$ 562,740.98	\$ 1,033,582.73	\$ 633,460.31	\$ 1,104,302.06	\$ 537,920.65	\$ 1,008,762.40	\$ 444,003.50	\$ 914,845.25
2025	\$ 456,406.60	\$ 552,750.54	\$ 1,009,157.14	\$ 622,214.38	\$ 1,078,620.98	\$ 526,564.47	\$ 982,971.07	\$ 436,121.02	\$ 892,527.62
2026	\$ 441,343.12	\$ 542,045.49	\$ 983,388.61	\$ 610,164.03	\$ 1,051,507.15	\$ 514,439.32	\$ 955,782.44	\$ 427,674.72	\$ 869,017.84
2027	\$ 425,736.89	\$ 530,669.76	\$ 956,406.65	\$ 597,358.72	\$ 1,023,095.61	\$ 501,594.68	\$ 927,331.57	\$ 418,699.25	\$ 844,436.14
2028	\$ 409,711.32	\$ 518,766.90	\$ 928,478.22	\$ 583,960.03	\$ 993,671.35	\$ 242,176.50	\$ 651,887.82	\$ 409,307.88	\$ 819,019.20
2029	\$ 393,270.96	\$ 506,436.93	\$ 899,707.89	\$ 570,080.57	\$ 963,351.53	\$ 236,420.49	\$ 629,691.45	\$ 399,579.52	\$ 792,850.48
2030	\$ 50,489.00	\$ 493,679.79	\$ 544,168.79	\$ 555,720.24	\$ 606,209.24	\$ 230,465.06	\$ 280,954.06	\$ 389,514.11	\$ 440,003.11
2031	\$ 48,232.25	\$ 480,496.09	\$ 528,728.34	\$ 540,879.75	\$ 589,112.00	\$ 224,310.50	\$ 272,542.75	\$ 379,112.15	\$ 427,344.40
2032	\$ 41,048.00	\$ 466,917.09	\$ 507,965.09	\$ 525,594.30	\$ 566,642.30	\$ 217,971.41	\$ 259,019.41	\$ 368,398.31	\$ 409,446.31
2033		\$ 453,047.26	\$ 453,047.26	\$ 509,981.45	\$ 509,981.45	\$ 211,496.54	\$ 211,496.54	\$ 357,454.99	\$ 357,454.99
2034		\$ 438,960.16	\$ 438,960.16	\$ 494,124.03	\$ 494,124.03	\$ 204,920.24	\$ 204,920.24	\$ 346,340.24	\$ 346,340.24
2035		\$ 424,656.01	\$ 424,656.01	\$ 478,022.28	\$ 478,022.28	\$ 198,242.62	\$ 198,242.62	\$ 335,054.24	\$ 335,054.24
2036		\$ 410,134.81	\$ 410,134.81	\$ 461,676.22	\$ 461,676.22	\$ 191,463.67	\$ 191,463.67	\$ 323,597.00	\$ 323,597.00
2037		\$ 395,406.66	\$ 395,406.66	\$ 445,097.19	\$ 445,097.19	\$ 184,588.11	\$ 184,588.11	\$ 311,976.46	\$ 311,976.46
Total	\$ 11,085,530.29	\$ 10,500,316.80	\$ 21,585,847.09	\$ 11,819,885.54	\$ 22,905,415.83	\$ 7,774,990.56	\$ 18,860,520.85	\$ 8,284,766.11	\$ 19,370,296.40

Prepared by John O'Connor 1/8/16

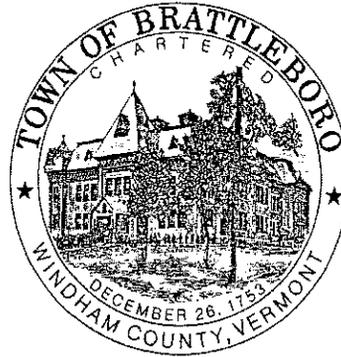
# MEMORANDUM

To: Selectboard

From: Peter B. Elwell, Town Manager

Re: Police-Fire Facilities Project –  
Life Cycle Cost Comparison Between  
Municipal Center and Black Mountain Road

Date: January 6, 2016



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## BACKGROUND

During consideration of the alternatives for addressing the Police Department's needs as part of the Police-Fire Facilities Project, a question has arisen about whether the life cycle costs of operating and maintaining another building (in addition to continuing to operate and maintain the Municipal Center) would outweigh the construction cost savings provided by the Black Mountain Road alternative. Those construction cost savings have been estimated to be approximately \$1,000,000 when compared with the Municipal Center Option A alternative. With assistance from Finance Director John O'Connor, Town Assessor Russell Rice, and Lester Humphries of the Town's Energy Committee, I have completed a life cycle cost analysis to answer this question and the results are set forth below.

## CONCLUSION

If the vacated Municipal Center space is not leased at all, then the Black Mountain Road alternative is estimated to cost approximately the same as the Municipal Center Option A.

If the vacated Municipal Center space is fully leased, then the Black Mountain Road alternative is estimated to save the Town's taxpayers approximately \$1,200,000 during the 20 years of debt service on the proposed bonds. The average annual savings would be \$60,000.

Since the reality is likely to be somewhere in between, here is the estimated savings that the Black Mountain Road alternative would provide to the Town's taxpayers if the vacated Municipal Center space is 50% leased throughout the 20 years of debt service on the proposed bonds: \$600,000. The average annual savings would be \$30,000.

## ANALYSIS

Operation and maintenance costs at the Black Mountain Road site are estimated to be \$50,000 per year. If that cost is increased for inflation by 2% each year, the total O+M costs for the 20-year period would be \$1,216,868. The annual average would be \$60,843. I rounded this to \$61,000. With an additional \$5,000 per year set aside in a reserve fund for the eventual replacement of the building's major systems (roof, boiler, electrical, and plumbing), the total O+M and system replacement costs for that site would be approximately \$66,000 per year.

The annual average debt service for the Black Mountain Road alternative is approximately \$66,000 less than the average annual debt service on the Municipal Center Option A alternative.

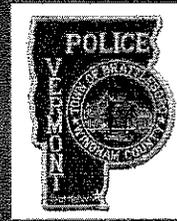
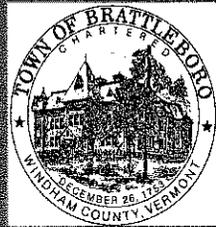
Since the Black Mountain Road alternative is expected to result in debt service savings that are approximately equal to the increased O+M and system replacement costs related to that alternative, the difference in the financial impact between the two alternatives during the 20-year life cycle period would be approximately equivalent to the amount of rent that can be generated by leasing the vacated Municipal Center space. At \$7 per square foot and with an estimated 8,500 square feet that would be available for rent, the maximum annual rental income at the Municipal Center would be \$59,500. I rounded this to \$60,000 and then did not increase it for inflation throughout the 20-year period.

That results in the conclusion of \$60,000 annual benefit if the Municipal Center space is fully leased, \$30,000 annual benefit if the Municipal Center space is 50% leased, and a net "wash" between the two alternatives if no space at the Municipal Center is leased.

PBE:

c: Patrick Moreland, Assistant Town Manager  
John O'Connor, Finance Director  
Russell Rice, Assessor  
Michael Fitzgerald, Police Chief  
Michael Bucossi, Fire Chief

# BRATTLEBORO EMERGENCY SERVICES BUILDING IMPROVEMENT PROJECT



## Today's Presentation

- ❑ Quick History
- ❑ Reminder of the Needs
- ❑ Minimum Required Actions
- ❑ Summary of Alternatives
- ❑ Fire Department Details
- ❑ Police Department Details
- ❑ Financial Details
- ❑ Answering Questions & Receiving Comments

## History

- ▣ The need to update these facilities was first recognized in the 1980s.
- ▣ Various plans were proposed and rejected since the 1990s.
- ▣ 2012: Selectboard & Town Meeting Approval
- ▣ 2013: Final Design & Preparation to Construct
- ▣ 2014
  - Annual Budget Rejected by Electorate
  - Project Postponed to Cut Debt Service Expense
  - Building Committee Considered Additional Options
  - Selectboard: "Wait for New Town Manager"

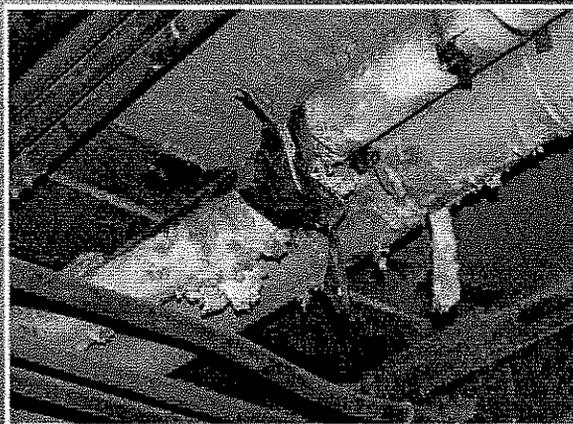
## Recent History

- ▣ Spring 2015
  - Elwell thoroughly reviewed history and 2013 plans.
- ▣ Summer 2015
  - Staff & consultants prepared the current alternatives.
- ▣ Summer/Fall 2015
  - Presented alternatives to Selectboard, negotiated an option to possibly purchase the Reformer property on Black Mountain Road, and prepared for these meetings.

## Need For Project

- ❑ Our work during the past 18 months has been focused on reducing the 2013 plans to meet the confirmed needs of these facilities in the most cost effective manner.
  
- ❑ We now desperately need to move forward with action at all 3 locations ...
  - to correct health and safety problems
  - to correct functional deficiencies

## Asbestos at the Central Fire Station

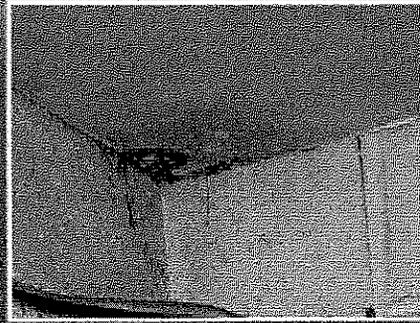


# Mold

in the Police Locker Room

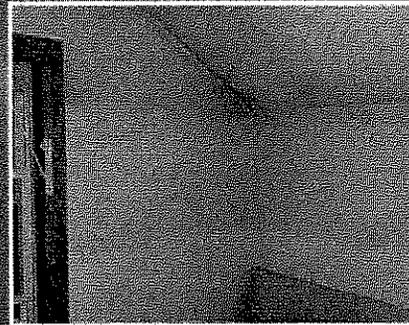


at Fire Station #2



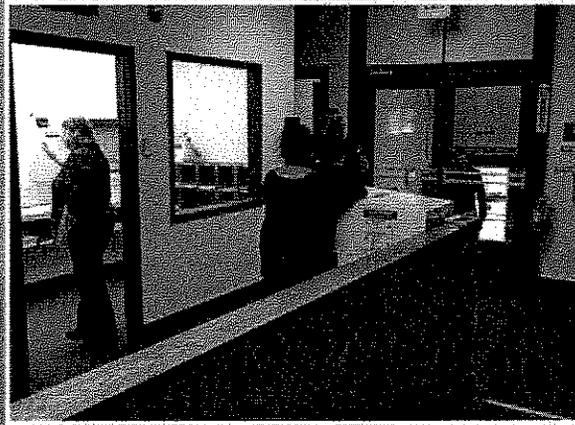
# Diesel Soot

in the living area  
at both fire stations



# Municipal Center Hallway

Private Activities in Public Spaces



## Minimum REQUIRED Plan

- ▣ Police Station
  - Replace Radio Console in Dispatch
  - Mold Remediation
  - Access to Cell Blocks
  - Separate Women's & Men's Locker Rooms
- ▣ Both Fire Stations
  - Vehicle Exhaust Removal System
  - Asbestos Removal
  - Mold Remediation
  - Emergency Generators
- ▣ \$1.1 Million
- ▣ \$510,000 at Central  
225,000 at Station 2
- 
- \$735,000 Total for Fire

## Minimum PRUDENT Plan

- ❑ Police Station
  - All Required Elements
  - Sally Port for Safe Transfer & Processing of Prisoners
  - Evidence & Equipment Separation/Security
  - Minimum Space & Flow Improvements to Increase Public Safety, Citizen Privacy, and Officer Safety
  - Handicap Accessibility

❑ \$2.5 Million

11

## Minimum PRUDENT Plan

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>❑ Central Fire Station<ul style="list-style-type: none"><li>▪ All Required Elements</li><li>▪ Roof Replacement</li><li>▪ Electrical &amp; Plumbing Upgrades</li><li>▪ Tower Catwalk Structural Repairs</li><li>▪ Simple Metal Garage for Large Apparatus</li><li>▪ Handicap Accessibility</li></ul></li></ul> | <ul style="list-style-type: none"><li>❑ Fire Station #2<ul style="list-style-type: none"><li>▪ All Required Elements</li><li>▪ Roof Replacement</li><li>▪ Window Replacement</li><li>▪ Handicap Accessibility</li></ul></li></ul> |
|---|---|

❑ \$400,000

❑ \$2.5 Million

12

## Summary of Alternatives

NOTE: None include the \$955,327 spent to date from the 2013 Bond.  
All reflect the estimated cost from this date forward to completion.

- ☐ Minimum Required Plan
  - \$1.8 Million
- ☐ Minimum Prudent Plan
  - \$5.4 Million
- ☐ Police on Black Mountain Road + Fire
  - \$11.8 Million
- ☐ Police at Municipal Center + Fire
  - \$12.8 Million (or \$13.0 Million for Option B)
- ☐ All 3 Projects Using 2013 Plans
  - \$14.1 Million

## Fire Department



## History

- ❑ Central Station was built in 1949 and it has been close to 30 years since there were any upgrades.
- ❑ Station 2 was built in 1960 and 40 years ago had a second story added to it.

15

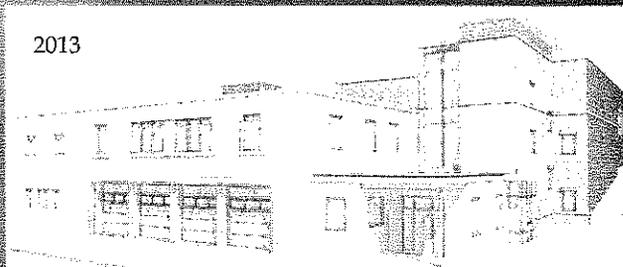
## Proposed Change Value

- ❑ Healthy, safe and clean facilities.
- ❑ Addresses current & future fire department needs.
- ❑ Meets Life Safety and ADA Codes.
- ❑ Keeping the same station locations will maintain fire department's ability to provide quick response to the entire community.
- ❑ Removing the top floor of the Central Station addition compelled us to rework programming. Some of what changed is not just "less" but is also "improved."

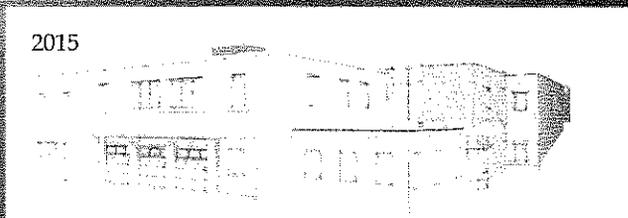
16

# Central Station

2013

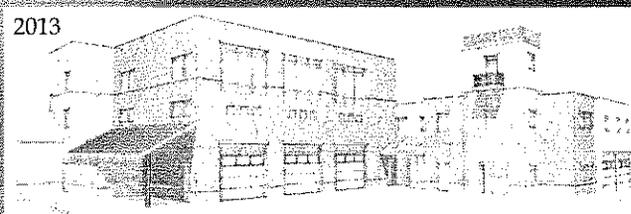


2015



# Central Station

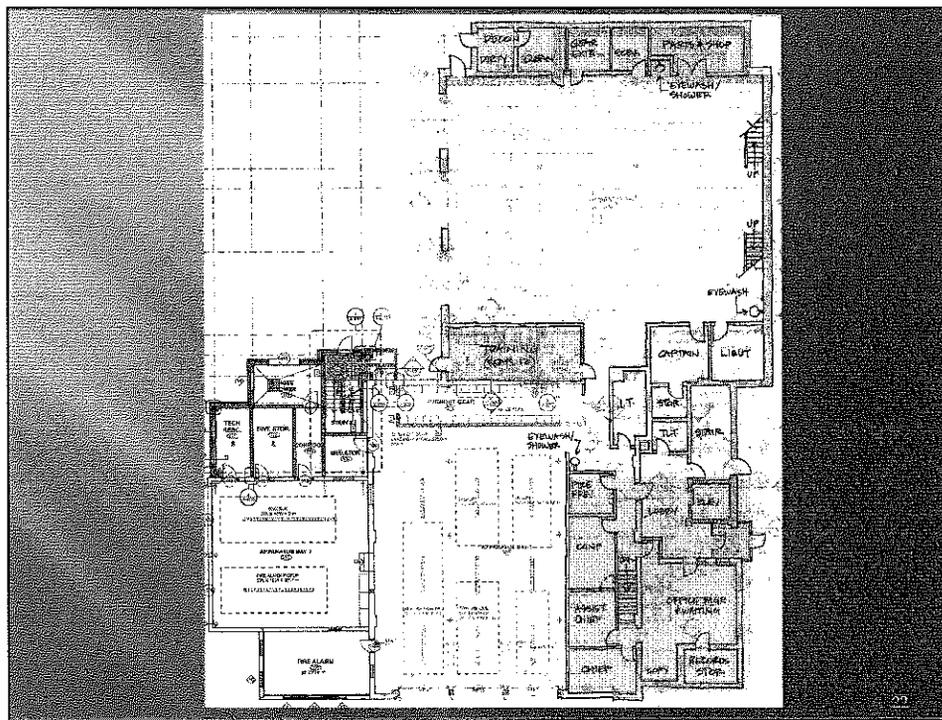
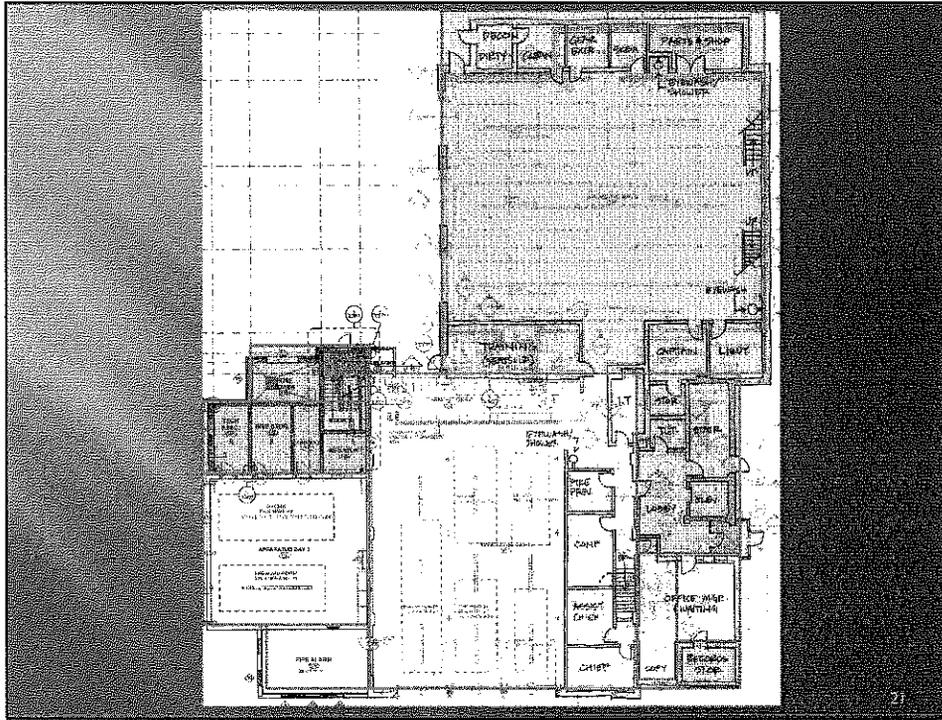
2013



2015

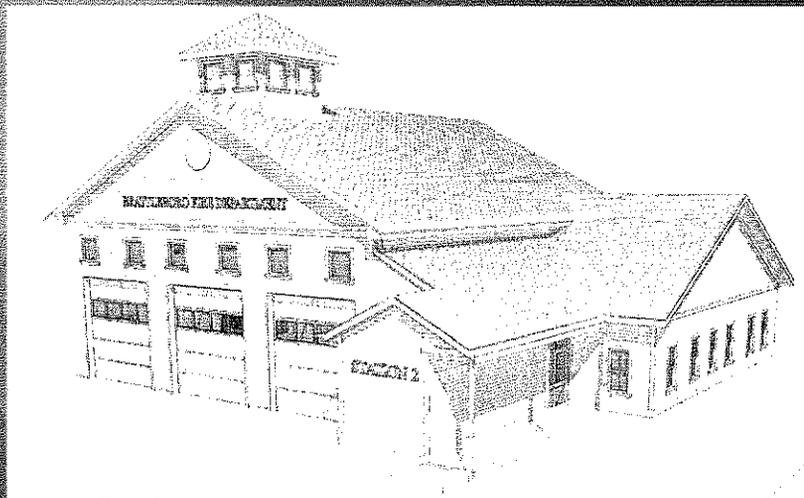








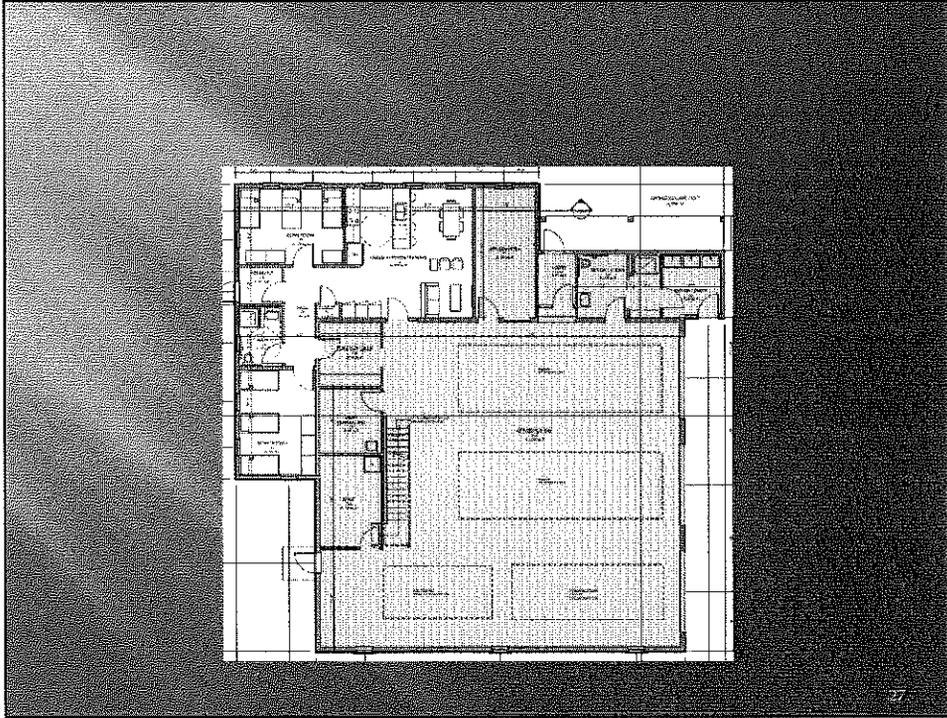
## Station 2



## Changes/Modernization

### Station 2

- Health and safety
- Modern size apparatus floor
- One (1) story
- ADA access

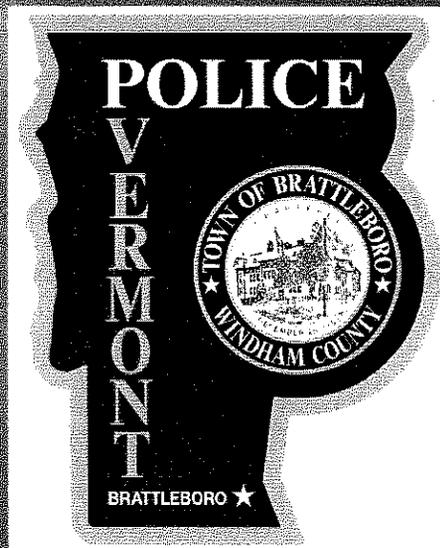


## Building Size

### Station Two

- Existing 3,264 sq ft
- New 4,620 sq ft

## Police



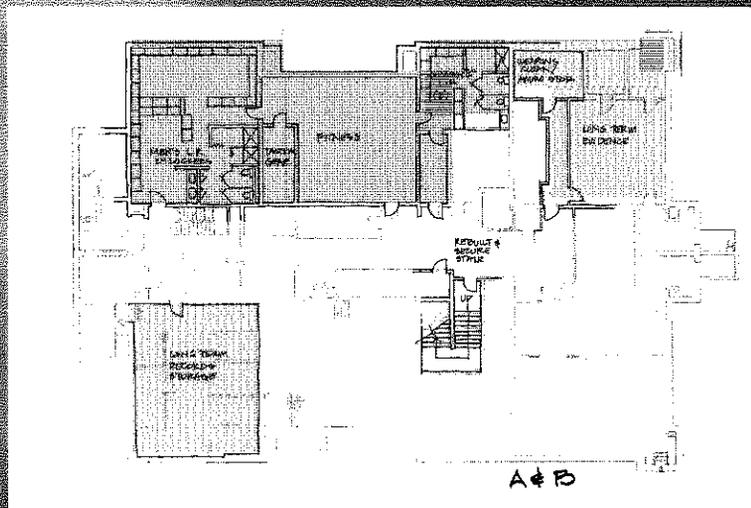
## Police Department Major Needs

- ❑ Secure area to handle transported prisoners
- ❑ Moving cell block from basement level
- ❑ Provide separate locker rooms for male and female officers
- ❑ Provide secure and dry area for long term storage of records and evidence
- ❑ Move department into common work areas increasing efficiency and workflow by removing hallway barrier.
- ❑ Separate entrance to Central Dispatch for citizens

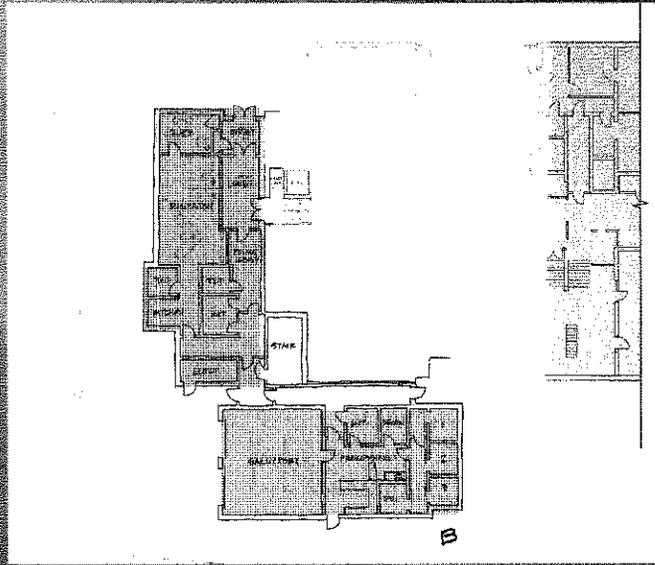
# Unsafe Prisoner Entrance



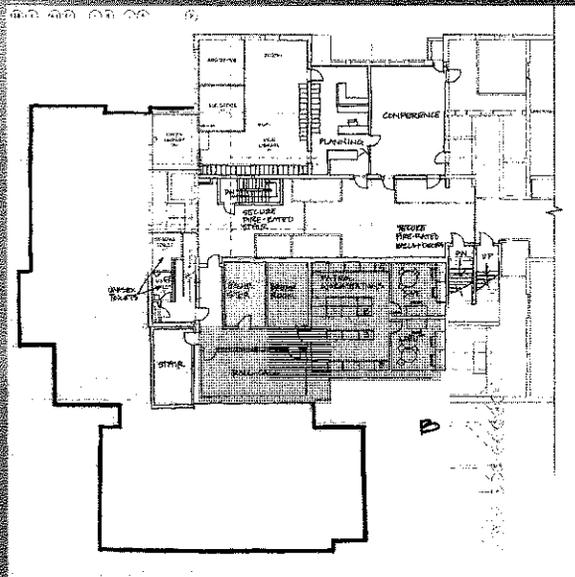
# Police Department Option B Basement A/B



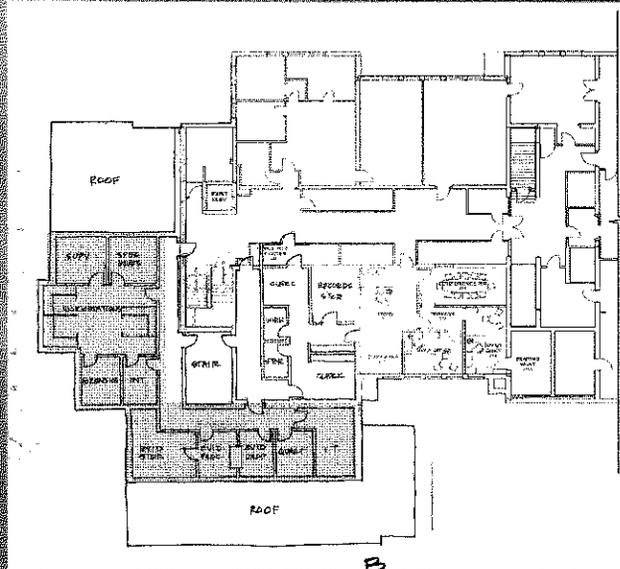
# Option B Ground Floor



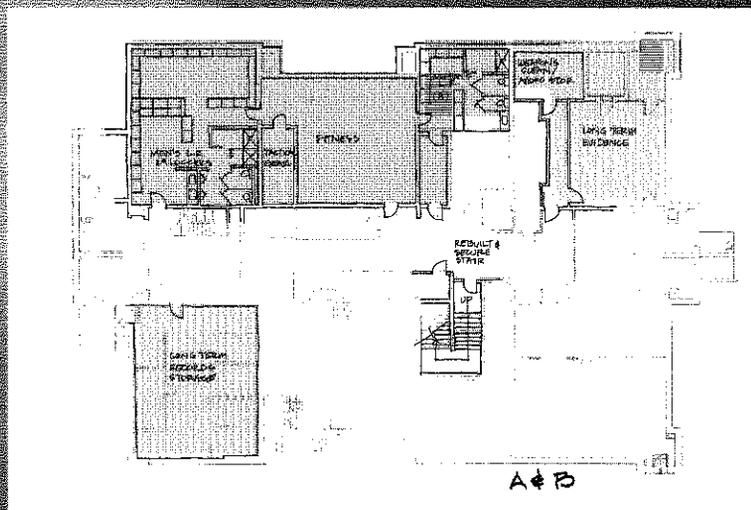
# Option B 1<sup>st</sup> Floor



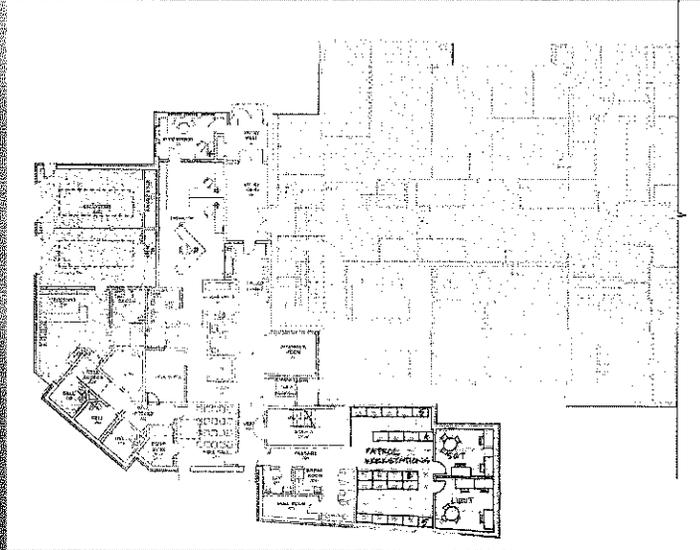
# Option B 2<sup>nd</sup> Floor



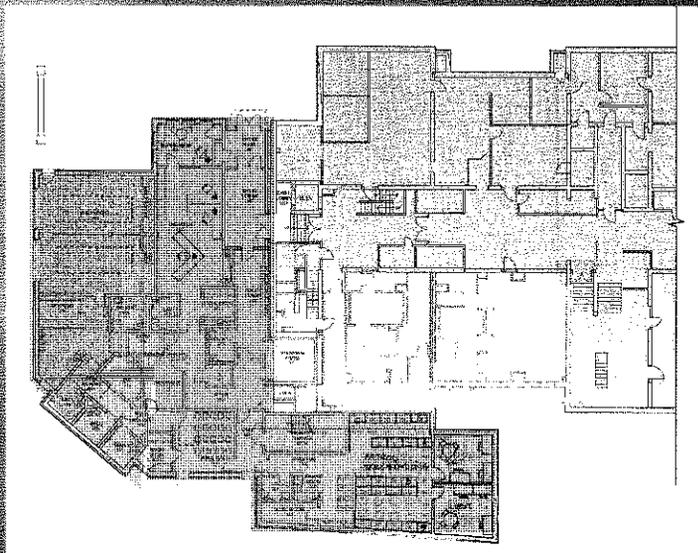
# Police Department Option A Basement A/B



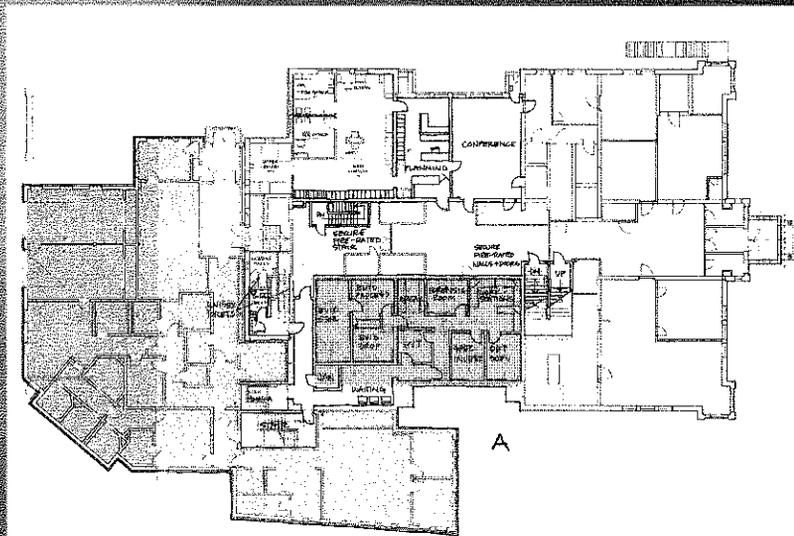
## Option A Ground Floor



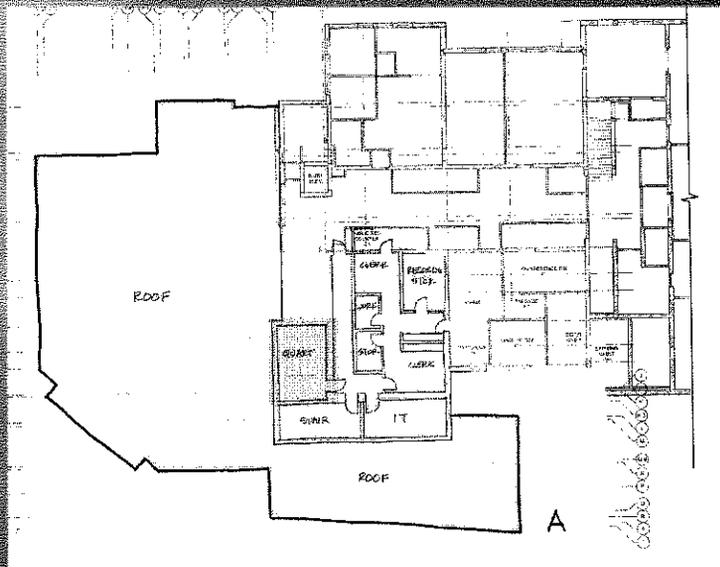
## Option A Ground Floor



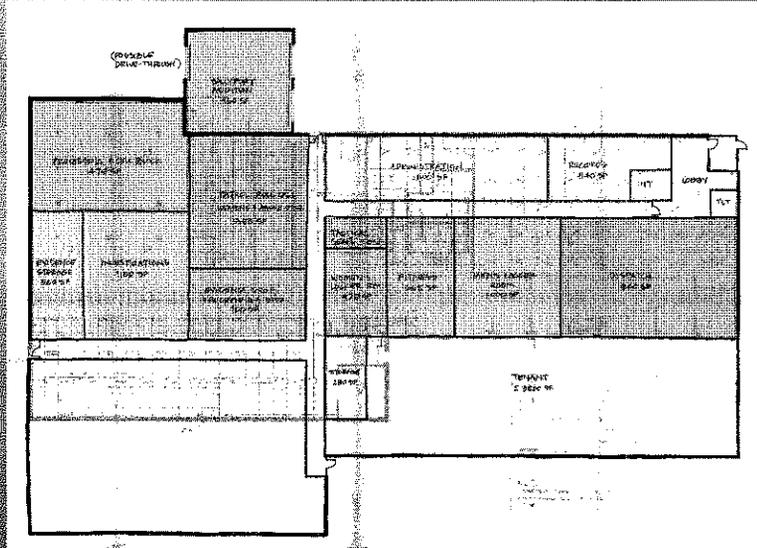
# Option A 1<sup>st</sup> Floor



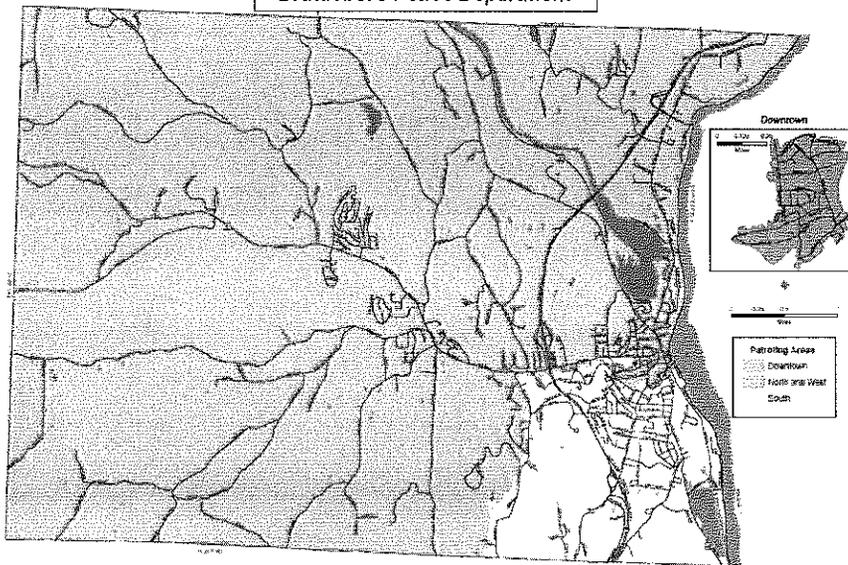
# Option A 2<sup>nd</sup> Floor



# Black Mountain Road



**Patrolling Areas - November 2015**  
**Brattleboro Police Department**



## Non-Emergency Drive Time

MC to Cumberland Farms	3.3 mi	8:00 min
BMR " via I-91	6.1 mi	10:15 min
BMR " via downtown	5.5 mi	11:15 min
MC to BUHS	1.9 mi	6:00 min
BMR to BUHS via I-91	5.7 mi	7:45 min
BMR to BUHS via downtown	3.7 mi	9:45 min
MC to Fulflex	2.7 mi	7:20 min
BMR to Fulflex	.5 mi	1:50 min
BMR to MC	2.3 mi	5:05 min

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## Response Data

Between November 1 and November 15, 2015, the Police Department received 237 calls for which a police officer was dispatched to the scene. Of those, 83 times the officer responded from the police station and 154 times the officer responded from active patrol out in the community. Therefore, this actual response data shows the following distribution of "from the station" response vs. "on patrol" response:

- 35% of the responses originated at the police station
- 65% of the responses originated in the community

44

## Calls for Service Data

<u>Patrol Sector</u>	<u>% of Calls</u>
North	36.79%
South	28.57%
Downtown	34.64%

45

## Municipal Center Survey

100 Visitors

Between August 18 and August 27, 2015, in random 1-hour intervals, visitor traffic at the Municipal Center was surveyed. The survey took 12 hours to complete. 33% of the people that visited the Municipal Center conducted business at the Police Department. Of those 33 people:

- 20 drove (60%)
- 10 walked (30%)
- 3 biked (10%)

46

## Financing

\$

47

## Financing

- ▣ \$14,130,000 of Bonds were authorized at a Special Town Meeting in 2012.
- ▣ \$5,000,000 of Bonds were issued in 2013.
- ▣ \$955,327 was spent to acquire land adjacent to the Central Fire Station and for final design of all 3 intended projects.
- ▣ A small amount of interest has accrued on the balance.
- ▣ **\$4,045,287 is available to spend on the alternative to be selected in 2016.**

48

## Minimum Required Plan

- ❑ No additional borrowing is required.
- ❑ Town meeting would have to authorize the remaining balance of the 2013 Bonds to be spent on this project and other projects.

49

## Minimum Prudent Plan

	10 Years	15 Years	20 Years
Additional Borrowing Required	\$ 1,354,713.00	\$ 1,354,713.00	\$ 1,354,713.00
Interest Rate on Bond	2.573%	3.010%	3.269%
Total Interest Paid	\$ 202,186.28	\$ 338,598.86	\$ 478,426.11
Year 2 Debt Service	\$ 166,028.26	\$ 125,951.11	\$ 106,132.59
Year 2 Tax Rate Impact	\$ 0.0144	\$ 0.0109	\$ 0.0092
Year 2 Impact per \$100,000 Assessment	\$ 14.36	\$ 10.89	\$ 9.18

50

## Black Mountain Road

Police Station at the Brattleboro Reformer Building  
and  
Fire Stations at their Current Locations

	20 Years	25 Years	30 Years
Additional Borrowing Required	\$ 7,759,867.00	\$ 7,759,867.00	\$ 7,759,867.00
Interest Rate on Bond	3.269%	3.502%	3.663%
Total Interest Paid	\$ 2,740,449.80	\$ 3,615,688.38	\$ 4,493,748.06
Year 2 Debt Service	\$ 607,933.05	\$ 547,399.33	\$ 508,485.00
Year 2 Tax Rate Impact	\$ 0.0526	\$ 0.0473	\$ 0.0440
Year 2 Impact per \$100,000 Assessment	\$ 52.58	\$ 47.34	\$ 43.97

51

## Municipal Center Option A

Police Station at the Municipal Center  
and  
Fire Stations at their Current Locations

	20 Years	25 Years	30 Years
Additional Borrowing Required	\$ 8,735,045.00	\$ 8,735,045.00	\$ 8,735,045.00
Interest Rate on Bond	3.269%	3.502%	3.663%
Total Interest Paid	\$ 3,084,840.54	\$ 4,070,069.85	\$ 5,058,474.78
Year 2 Debt Service	\$ 684,331.64	\$ 616,190.69	\$ 572,386.01
Year 2 Tax Rate Impact	\$ 0.0592	\$ 0.0533	\$ 0.0495
Year 2 Impact per \$100,000 Assessment	\$ 59.18	\$ 53.29	\$ 49.50

52

## 2013 Plans Updated for Inflation

	20 Years	25 Years	30 Years
Additional Borrowing Required	\$ 10,024,009.00	\$ 10,024,009.00	\$ 10,024,009.00
Interest Rate on Bond	3.269%	3.502%	3.663%
Total Interest Paid	\$ 3,540,046.94	\$ 4,670,659.03	\$ 5,804,915.34
Year 2 Debt Service	\$ 785,313.24	\$ 707,117.25	\$ 656,848.65
Year 2 Tax Rate Impact	\$ 0.0679	\$ 0.0612	\$ 0.0568
Year 2 Impact per \$100,000 Assessment	\$ 67.92	\$ 61.15	\$ 56.81

53

## Financing Comparison

(Assumes a 20-Year Bond)

ALTERNATIVE	ESTIMATED COST TO BUILD	PEAK YEAR TAXES PAID FOR DEBT SERVICE ON 2016 BONDS PER \$100,000 PROPERTY VALUE
Minimum Prudent Plan	\$ 5.9 Million	\$ 9.18
Black Mountain Road	\$ 11.8 Million	\$ 52.58
Municipal Ctr. Option A	\$ 12.8 Million	\$ 59.18
2013 Plans + Inflation	\$ 14.1 Million	\$ 67.92

54

## Summary

- ▣ Action has been delayed for many years.
- ▣ We have to do something in 2016.
- ▣ Minimum Options
  - Cost up to \$6 Million
  - Provide only partial solutions that are limited to health, safety, and the most severe functional deficiencies
- ▣ Full Project Options
  - Cost approximately \$12 Million to \$14 Million
  - Include substantial reductions from the original plans
  - Address all current and foreseen deficiencies for 20+ years
  - Will increase in cost (for both construction and financing) if we do not move forward with them now

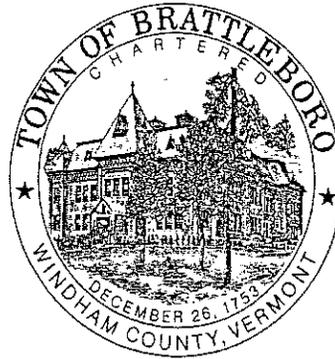
55

## Questions & Comments

56

# MEMORANDUM

To: Selectboard  
From: Peter B. Elwell, Town Manager  
Re: Option Agreement for Potential Future Purchase of 62 Black Mountain Road  
Date: November 12, 2015



---

## RECOMMENDATION

I recommend and request that the Selectboard authorize me as Town Manager to execute the attached "Option Agreement to Purchase Real Estate" to preserve the Town's ability to decide unilaterally at a later date whether or not to purchase 62 Black Mountain Road.

## BACKGROUND INFORMATION

As you know from prior communications, Town staff and the current owners of 62 Black Mountain Road reached agreement several weeks ago regarding the basic terms of the above referenced transaction. It has taken a significant amount of subsequent work by Town Attorney Bob Fisher and several attorneys representing various interests related to this property, but we have now finalized all the details and have an "Option Agreement to Purchase Real Estate" document ready for review and action by the Selectboard. A copy of that document is attached to this memorandum.

It is important to note at this time, as we have when this subject has been discussed in the past, that approval of this document will not obligate the Town to purchase 62 Black Mountain Road. It will simply prevent the sale of this property to anyone else while the Selectboard and Town Meeting Representatives, on behalf of the people of Brattleboro, determine whether 62 Black Mountain Road is – or is not – the best location for the Town's Police Department headquarters.

The facilities at 62 Black Mountain Road are currently occupied by the *Brattleboro Reformer* and one of the provisions in the option agreement document is that the Town would lease space within the building to the *Reformer*. This would work well for the Town, as we do not need all of the existing square footage for the Police Department and could use the revenue from the lease to help pay the carrying costs of the property.

Other terms set forth in the option agreement document include the following:

- Town pays \$20,000 to secure the property until March 31, 2016.  
*This is sufficient time to hold extensive public meetings, allow for final Selectboard consideration and action, and warn and hold a Special Town Meeting.*
- Town pays an additional \$10,000 to secure the property from March 31 to June 30, 2016.  
*This should be sufficient time to consummate the purchase, if approved by Town Meeting.*
- Town pays an additional \$10,000 to secure the property from July 1 to September 30, 2016.  
*This is a buffer. This additional cost will be incurred only if extra time is needed due to a petition for Town Meeting's action to be re-voted in a Townwide referendum or if any unforeseen events require that the transaction closing must occur after June 30, 2016.*

- If the Town proceeds at any time to exercise the option and purchase the property, the purchase price is \$720,000 & 50% of all option payments apply to the purchase price. *This makes the total purchase price either \$735,000 or \$740,000, depending upon whether or not the third option period is required.*

The option agreement document has been approved by Town Attorney Bob Fisher, who actively participated in all aspects of its preparation. Town Assessor Russell Rice, Planning Services Director Rod Francis, and Planner Sue Fillion also substantively assisted by ensuring that particular sections of this document are accurate and sufficiently protective of the Town's interests.

PBE:

Attachment

c: Patrick Moreland, Assistant Town Manager  
Mike Fitzgerald, Police Chief  
Rod Francis, Planning Services Director  
John O'Connor, Finance Director  
Russell Rice, Assessor

## OPTION AGREEMENT TO PURCHASE REAL ESTATE

THIS OPTION AGREEMENT TO PURCHASE REAL ESTATE (the "*Agreement*") is made and entered into as of November \_\_, 2015 (the "*Effective Date*"), by and between Brattleboro Publishing Company, Inc., a Delaware corporation ("*Seller*"), and the Town of Brattleboro, a Vermont chartered municipality, with a mailing address of 230 Main Street, Brattleboro, Vermont ("*Buyer*"). Seller and Buyer may each be individually referred to herein as a "*Party*" and together as the "*Parties*" to this Agreement.

### ARTICLE I – OPTION TO PURCHASE

1. Grant of Option. Subject to the terms and conditions of this Agreement, Seller hereby grants to Buyer three (3) options (each, an "*Option*") for the periods set forth on **Schedule A** attached hereto (each, an "*Option Period*"), to purchase the real property commonly known as 62 Black Mountain Road, Brattleboro ("*City*"), Windham County ("*County*"), Vermont, also commonly referred to as APN 00070524.000, and as more fully described herein and on **Schedule B** attached hereto, for the total Purchase Price of Seven Hundred Twenty Thousand Dollars (\$720,000) (the "*Purchase Price*").

2. Property. The Property shall consist of all of the following: (a) all that certain real property described in paragraph 1 above (the "*Land*"); (b) the interest of Seller, if any, in all rights, privileges and easements appurtenant to the Land, including, without limitation, all minerals and oil, gas and other hydrocarbon substances on and under the Land, rights of way; and all other appurtenances used in connection with the beneficial use and enjoyment of the Land (all of which are collectively referred to as the "*Appurtenances*"); and (c) all buildings ("*Buildings*") and all structures and improvements situated on the Land ("*Improvements*"), together with the interest of Seller in all fixtures located therein or used in connection with the operation or occupancy thereof, including, without limitation, the HVAC, plumbing, electrical, sprinkler and fire/life safety systems servicing or comprising part of any Buildings and/or Improvements and cooling system. The Land, Appurtenances, Buildings and Improvements are collectively referred to herein as the "*Property*"). The terms "*Property*" and "*Improvements*" shall not include trade fixtures and the personal property of Seller.

3. Payment of Option Consideration. Buyer shall pay Seller the amounts set forth on **Schedule A** attached hereto (the "*Option Consideration*"). The Option Consideration shall be due and payable in full on the dates set forth on **Schedule A** attached hereto (the "*Option Schedule*"). Except as may be otherwise set forth herein, if this Agreement terminates or expires without being exercised by Buyer, the Option Consideration shall be retained by Seller.

4. Termination. If it has not previously terminated or been previously exercised by Buyer, this Agreement and the Options herein granted shall automatically terminate: (a) upon Buyer's failure to pay the applicable Option Consideration to Seller by the date such Option Consideration is due pursuant to the Option Schedule; or (b) following the end of the third Option Period. Upon any such termination, Seller shall be entitled to retain all Option Consideration previously paid hereunder, and the Parties shall have no further rights or obligations hereunder. If Buyer does not exercise an Option to purchase the Property in accordance with the provisions set forth in this Agreement, then the Option Consideration shall be non-refundable to Buyer, but if an Option to purchase the Property is exercised, fifty percent (50%) of the Option Consideration that has been paid to Seller as of the date such Option is exercised shall be credited against the Purchase Price. Subject to Buyer's payment of all Option Consideration to Seller when due, and subject to Seller's right to rescind this Agreement pursuant to paragraph 17(b), Seller shall not have the right to terminate an Option Period in any other circumstances.

5. Permits. Buyer shall have the right to seek all permits, licenses, zoning changes, approvals and the like, including any appeals therefrom whether administrative or in the courts, that Buyer in Buyer's sole judgment may deem necessary or convenient for its proposed use of the Property, with all state and local government agencies and entities, and any relevant federal agencies (collectively, the "*Permits*"), throughout the Option Period. Seller agrees to reasonably cooperate with Buyer's applications for such Permits, provided that

Seller shall not be required to expend any funds in connection with such applications. If, at the end of the third Option Period, Buyer is diligently pursuing any such Permits, Buyer may request an extension of the third Option Period ("*Extension Request*") for a reasonable period of time ("*Option Extension*") in order that Buyer may receive a decision thereon, provided that such Extension Request may be approved, conditioned or denied in Seller's sole discretion. In the event Seller grants such an Option Extension, Buyer shall pay to Seller a pro rata share of the Option Consideration due for the third Option Period based on the length of the Option Extension. For all purposes under this Agreement, none of the Permits shall be deemed to have been granted unless and until they have been granted in writing by the pertinent governmental authorities, (including all state, local and any relevant federal agencies), and all appeal periods relating thereto shall have expired without an appeal being taken, or, if one or more appeals are taken, until all such appeals and all further proceedings after such appeals have been finally resolved in favor of granting such Permits.

## ARTICLE II – EXERCISE OF OPTION

6. Exercise of Option. Buyer may exercise an Option to purchase the Property by giving written notice of such exercise (the "*Notice*") within the Option Period, as the same may be extended, in any of the following manners: (a) by letter of Buyer addressed and posted in the U.S. Mail by certified or registered mail, return receipt requested; or (b) by recognized overnight carrier such as FedEx or Express Mail, addressed in any event to Seller at its address stated below (or such other address as Seller may from time to time designate by notice in writing to Buyer). Notice shall be effective when mailed or sent by Buyer in accordance with the foregoing sentence. The Notice shall include the date and time set for Closing, which shall be held not more than ten (10) days after the end of the Inspection Period, at the offices of Fisher and Fisher Law Offices, P.C., or at another location agreeable to both Parties. Buyer agrees to exercise the Option, if at all, within thirty (30) days after all Permits have been granted, as described more fully in paragraph 5 above.

If to Seller:

Attn: Marshall Anstandig, General Counsel  
Media News Group, Inc. d/b/a Digital First Media  
c/o California Newspapers Partnership  
4 North Second Street, Suite 800  
San Jose, California 95113  
Tel: 408.920.5790  
Email: manstandig@bayareanewsgroup.com

With Copies to:

Twenty Lake Holdings  
Attn: Joseph Miller, President  
708 Third Avenue, 19th Floor  
New York, New York 10017  
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### ARTICLE III – PURCHASE AND SALE

If an Option to purchase the Property is exercised, then in consideration of the terms, covenants and conditions contained herein, the Parties mutually agree as follows:

7. Purchase and Sale Agreement. Upon the giving of the above-mentioned Notice of exercise of an Option, but not before, Seller shall thereby be bound to sell and Buyer shall thereby be bound to purchase the Property, upon the terms and conditions set forth herein, and this Agreement shall represent a Purchase and Sale Agreement for the transfer of said Property. The purchase and sale of the Property is thereupon contingent upon the following: (a) Buyer obtaining all town meeting voter approval for the purchase of the Property and for the approval of the bonds therefor; (b) bond bank financing no later than August 1, 2016; (c) subject to the terms and conditions of paragraph 16, an Environmental Phase I inspection and, if applicable, an Environmental Phase II inspection; (d) engineering inspections of the Building; (e) executed Lease between Buyer and Seller for the portion of the Property leased back to Seller; (f) all state and local Permits necessary for the Property to be used as a Town Police Station.

8. Deposit. Upon Seller's delivery of its Notice of exercise of an Option, Buyer shall pay Seller a deposit in the amount of Thirty-Five Thousand Dollars (\$35,000) (the "*Deposit*"). Upon the expiration of the Inspection Period (as defined below), and provided this Agreement is not terminated on or before the expiration of the Inspection Period, and Seller is not otherwise in default under this Agreement, the Deposit shall become non-refundable to Buyer. In the event this Agreement terminates prior to the Closing hereunder because of a default by Seller, then the Deposit shall be promptly returned to Buyer. The Deposit shall be credited to Buyer at Closing (as defined below) and will become part of the Purchase Price.

9. Closing. The closing and settlement of this transaction ("*Closing*") shall occur within ten (10) days following the termination of the Inspection Period and at the place set forth in paragraph 6 above, or at such earlier time or other place as the Parties may mutually agree in writing (the "*Closing Date*"). Closing costs shall be shared as follows: (a) Seller shall pay for the cost of a standard CLTA policy of title insurance, the State of Vermont non-resident withholding taxes, and any land gains taxes applicable to the property, and one-half of the escrow and recording fees; and (b) Buyer shall pay the additional increase in cost associated with any ALTA extended coverage policy of title insurance, if obtained by Buyer as of the Closing, the cost of title endorsements requested by Buyer, any applicable Vermont Property Transfer Tax and one-half of the escrow and recording fees.

10. Possession; Leaseback. Buyer shall be entitled to full possession of the Property at Closing, free from any tenants and personal Property. Notwithstanding the foregoing sentence, Seller, as Tenant, shall lease back from Buyer, as Landlord, (the "*Leaseback*") a portion of the Property in accordance with the fundamental Leaseback terms set forth on **Schedule C** attached hereto (the "*Fundamental Lease Terms*") and pursuant to a definitive lease agreement to be entered into between the Parties prior to Closing (the "*Lease*").

11. Buyer's Conditions to Closing. Buyer shall not be obligated to proceed with the Closing unless and until each of the following conditions have been fulfilled or otherwise waived in writing by Buyer:

(a) On the Closing Date, all of the covenants and agreements to be complied with or performed by Seller under this Agreement on or before the Closing shall have been complied with or performed in all material respects.

(b) The representations and warranties made by Seller in this Agreement shall be true and complete in all material respects on and as of the Closing Date.

(c) The Property shall be in substantially the same condition and state of repair as existed on the Effective Date, ordinary wear and tear excepted.

(d) The Title Company is unconditionally prepared and committed to issue the Title Policy insuring that title to the Real Property is vested in Buyer (or its permitted assignee) subject only to the Permitted Exceptions.

If any of the conditions precedent set forth in this paragraph are not satisfied, deemed satisfied or waived in writing by Buyer at or prior to Closing (subject to any express rights which Seller may have under this Agreement to adjourn Closing), Buyer shall have the right, at Buyer's sole option (by written notice to Seller) to (i) terminate this Agreement, in which event, the Deposit will be returned to Buyer, and neither Party shall have any other obligations hereunder other than those which, by their express terms, survive such termination, or (ii) complete Closing, without a price adjustment, notwithstanding the unsatisfied condition.

12. Seller's Conditions to Closing. Seller shall not be obligated to proceed with the Closing unless and until each of the following conditions have been fulfilled or otherwise waived in writing by Seller:

(a) Buyer has paid the balance of the Purchase Price and Buyer's share of all other Closing costs and prorations pursuant to the provisions of this Agreement;

(b) Buyer shall have executed and delivered to Seller all of the documents required of Buyer under this Agreement;

(c) On the Closing Date, all of the covenants and agreements to be complied with or performed by Buyer under this Agreement on or before the Closing shall have been complied with or performed in all material respects; and

(d) The representations and warranties made by Buyer in this Agreement shall be true and complete in all material respects on and as of the Closing Date.

If any of the conditions precedent set forth in this paragraph are not satisfied, deemed satisfied or waived by Seller at or prior to Closing, Seller shall have the right, at Seller's sole option (by written notice to Buyer) to terminate this Agreement, in which event neither Party shall have any obligations hereunder other than those which, by their express terms, survive such termination, and if such failure of a condition constitutes a default by Buyer hereunder, then the terms of paragraph 23 shall apply.

13. Payment of Purchase Price. At Closing, Buyer agrees to pay to Seller in good and immediately available funds, the Purchase Price set forth herein, against which fifty percent (50%) of the Option Consideration paid to date shall be credited.

14. Delivery of Deed; Title to Property. At Closing, Seller shall deliver to Buyer a Vermont Limited Warranty deed for recordation at Closing, conveying marketable title to the Property, as defined by Vermont law. The Parties hereby acknowledge and agree to the form of the Vermont Limited Warranty Deed attached hereto as **Exhibit 1**. Seller shall provide its proposed deed five (5) business days in advance of the Closing for Buyer's review and comment. Seller shall be entitled to use the proceeds of the sale to pay at Closing any monetary encumbrances on the Property. Seller also agrees to execute and deliver to Buyer at closing a standard Seller's affidavit and indemnity agreement for title insurance purposes, a Vermont Property transfer tax form, and any customary transfer tax documents that may be required by any applicable law, as well as an Act 250 Disclosure Statement and an assignment of any Permits that may have been issued in Seller's name.

15. Condition of Title.

(a) At Closing, Seller shall convey and transfer to Buyer such title to the Property as will enable the Title Company to issue to Buyer a CLTA Policy of Title Insurance covering the Property (the "**Title Policy**"), in the full amount of the Purchase Price, subject only to the Permitted Exceptions (as hereinafter defined).

(b) Within five (5) business days of the commencement of the Inspection Period, Seller shall obtain, at Seller's sole cost and expense, order a current title commitment and copies of all exceptions referred to therein (collectively, "**Title Report**") from Title Company. Buyer shall examine the Title Report and the exceptions to title listed therein, as well as all underlying title documents and shall, no later than fifteen (15) days after the Effective Date notify Seller in writing ("**Title Objection Notice**") of any easement, right-of-way, encroachment, conflict, protrusion or other matter affecting the Property which is shown on a Survey, and of any exceptions which appear in the Title Report (other than the Permitted Exceptions, as defined below) that are unacceptable to Buyer in its sole and absolute discretion (collectively, "**Title Objections**"), and Buyer shall state in the Title Objection Notice which, if any, of the objectionable matters may be cured by Seller obtaining, at Seller's expense, an endorsement to Buyer's Title Policy issued at Closing, and any lender's title insurance policy issued to Buyer's lender at Closing, deleting such matter as an exception from the policy. Except as otherwise agreed by Seller pursuant to the provisions of this Agreement, Seller shall have no obligations to take any steps, or to bring any action or proceeding, or to otherwise incur any effort or expense whatsoever to eliminate or modify any of the Title Objections, except that (i) Seller agrees to remove at Seller's expense at or prior to Closing any deed of trust or mortgage created by Seller (or any affiliate or predecessor of Seller), any mechanic's and/or materialmen liens and judgment liens and any other monetary lien of an ascertainable amount affecting the Property (other than current real property taxes and assessments, not delinquent, which shall be prorated between the Parties at the Closing, as provided below, unless Seller, as tenant under the Lease is obligated to pay such real property taxes and assessments, in which event Seller shall pay the same to the extent provided in the Lease) (collectively, "**Monetary Liens**"), whether or not Buyer includes such Monetary Liens among the Title Objections; (ii) Seller shall terminate, or cause to be terminated, all leases and third Party occupancy agreements and cause all tenants, if any, to vacate the Property prior to the Closing hereunder and (iii) Seller shall execute and deliver to Title Company an owner's affidavit and/or indemnity in such form and content as may be requested by Title Company in order to remove from the Title Policy exceptions relating to Parties in possession (other than pursuant to the leases delivered to Buyer as part of the Property Information, as defined below) and claims to mechanics liens arising from work performed at the Property other than by or for Buyer. Except as provided above, any title insurance endorsements requested by Buyer, lender's policy of insurance, or the incremental title premium allocable to extended coverage policy (such as an ALTA extended coverage policy) shall be at Buyer's sole cost and expense; however, Buyer's election to obtain any title insurance endorsements requested by Buyer, lender's policy of insurance, ALTA extended coverage policy of title insurance shall not delay the Closing and Buyer's inability to obtain the same shall not be deemed to be a failure of any Buyer's condition to Closing.

(c) If Buyer properly delivers a Title Objection Notice as set forth in paragraph 13(b) above, and Seller does not provide Buyer with written notice of its election to cause all the Buyer's Title Objections to be removed from title to the Property within five (5) business days of Seller's receipt of the Title Objection Notice (the "**Objection Cure Period**"), then it shall be deemed that Seller has elected to not cause all Buyer's Title Objections to be removed from title, except that, in all events, Seller shall remove at Seller's expense all Monetary Liens at or prior to Closing and Seller shall terminate, or cause to be terminated, all leases and third Party occupancy agreements affecting the Property, or applicable portion thereof, and cause all tenants, if any, to vacate the Property prior to the Closing hereunder. If Seller does not elect, or is deemed to have not elected to remove all the Buyer's Title Objections (other than Monetary Liens, which will be removed by Seller in all events) from title to the Property, then Buyer may either (i) waive its disapproval of any exception Seller has not agreed to eliminate and proceed to Closing in accordance with the terms and conditions of this Agreement without any reduction in the Purchase Price, or (ii) as its sole and exclusive remedy, terminate this Agreement by delivering written notice thereof in writing to Seller on or before the expiration of the Inspection Period, in which event, the Deposit then on hand with the Escrow Agent will be returned to Buyer, and neither Party shall have any obligations hereunder other than those which, by their express terms, survive such termination.

(d) The term "**Permitted Exception**" means (i) items (other than Monetary Liens) reflected in the Title Report and (a) not objected to by Buyer or (b) waived in writing or deemed waived by Buyer in accordance with paragraphs 13(b) and 13(c) above, including any easements, rights of way, encroachments,

conflicts, discrepancies, overlapping of improvements, protrusions, liens or encumbrances (other than Monetary Liens), restrictions, conditions, covenants, exceptions or other matters with respect to the Property shown on the Title Report or Survey, if any, objected to by Buyer but which Seller has not elected to eliminate and have been waived in writing or deemed waived by Buyer in accordance paragraphs 13(b) and 13(c) above; (ii) the Title Company's standard printed conditions, exceptions and exclusions (other than exceptions relating to Parties in possession (other than the Lease to be entered into between Seller and Buyer) and claims to mechanics and/or materialmen liens arising from work performed at the Property other than by or for Buyer); (iii) liens for real property taxes and assessments not then delinquent (subject to Seller's obligation to pay such taxes and assessments allocable to the period prior to the Closing hereunder and following the Closing to the extent expressly provided in the Lease); and (iv) any matters affecting the condition of title to the Property created by or with the written consent of Buyer, or which otherwise arise from, or are unable to be removed due to, the acts or omissions of a Buyer or its employees, agents, affiliates, consultants, contractors, brokers, investigators or advisors.

(e) Nothing contained herein shall be construed as a representation by Seller of the state of title to the Property. Any attempt by Seller to cure a Title Objection shall not be construed as an admission by Seller that such objection is a timely title objection under this Agreement. The Parties agree that, without limiting any other provisions of this Agreement, including, without limitation, the Deed, Seller makes no express or implied warranties regarding the condition of title to the Property.

(f) If any new or additional items appear of record after the date of the Title Report, the Title Company shall deliver to Buyer a supplemental title report, including copies of all instruments reflected as exceptions in the supplemental title report (collectively, the "**Supplemental Report**"). Thereafter, the Parties shall comply with the provisions of paragraphs 13(b) and 13(c) above, except that the time to give a Title Objection Notice for any Supplemental Report shall be three (3) business days after Buyer receives the Supplemental Report and copies of all Exceptions therein, the Objection Cure Period shall be three (3) business days, and Buyer shall have three (3) business days after the Objection Cure Period to notify Seller of its election, if applicable, to waive those new Exceptions to which Buyer has objected and which Seller has not agreed to remove. If necessary, the Closing shall be extended to give each Party the full benefit of such election and decision times.

#### 16. Inspection Period.

(a) Buyer shall have a period commencing on the date it provides Notice of exercise of an Option and ending ninety (90) days thereafter (the "**Inspection Period**") within which to inspect the physical condition of the Property and make such non-invasive engineering, surveys, tests, and market, environmental and other studies as Buyer may elect, including any Phase I Environmental Site Assessment. Buyer shall have the right to choose the third-party Environmental Site Assessment engineer or company and shall not be required to rely upon prior site assessments performed by Seller. In the event that the Phase I Environmental Site Assessment Report the "**Phase I Report**") recommends a Phase II investigation and Buyer requests such investigation at Buyer's sole expense, the Inspection Period shall be extended for the limited purpose of the completion of the Phase II investigation and Buyer's review of the Phase II report (the "**Phase II Report**"). The extension of the Inspection Period shall be twenty (20) days after Buyer's receipt of the Phase II Report. The Inspection Period may be extended as described herein only if Buyer provides Seller with a written waiver of all inspection and other contingencies except for Buyer's satisfaction with the Phase II Report. Any environmental and property condition report conducted by Buyer shall be prepared for and shall name the Buyer as the reliance party, and shall constitute part of the Property Information (as defined below). Buyer shall conduct such inspections and studies at its sole cost and risk. Buyer shall provide Seller with twenty-four (24) hours' advance notice (written or email) that it or its agents, consultants and/or contractors desire to conduct such inspections and studies on the Property. Seller shall have a right to be present on the Property during Buyer's inspection of the Property.

(b) Within three (3) business days following the commencement of the Inspection Period, Seller shall deliver to Buyer or make reasonably available to Buyer at the Property for inspecting and photocopying, copies of the following, to the extent such documents are within the possession or control of Seller (the "**Property Information**"): (i) any and all environmental reports and soil, groundwater and geotechnical reports, studies and analyses, including that certain Phase I Environmental Site Assessment Report by Partner Engineering and Science, Inc. dated December 5, 2013; (ii) any lease files; (iii) all agreements or other obligations to which Seller is Party for the rendering of operating, maintenance and/or repair services at the Property, or applicable portion thereof, including copies of all, equipment, service, security, and maintenance contracts (collectively, "**Service Contracts**"); it being understood and agreed that, prior to the expiration of the Inspection Period, Buyer shall notify Seller in writing which Service Contracts, if any, Buyer agrees to assume as of the Close of Escrow and all other Service Contracts shall be terminated by Seller effective as of the expiration or earlier termination of the Lease to be entered into between Buyer, as landlord, and Seller, as tenant; and (iv) copies of all warranties and guaranties covering the Property or any part thereof.

(c) Until the Close of Escrow, Seller shall promptly disclose to Buyer, in writing, all changes in the information previously delivered by Seller to Buyer. Seller will promptly make available to Buyer for inspection and copying, copies of all Property Information. If this Agreement is terminated, Buyer shall promptly return the Property Information to Seller. Notwithstanding the foregoing, in no event shall the Property Information include nor shall Seller be required to provide to Buyer: (i) any confidential internal memorandum of Seller with respect to the Property or other documents relating to Seller or (ii) any loan documents of Seller or any correspondence between Seller and Seller's lenders. Buyer expressly agrees that Seller is furnishing copies of all Property Information to Buyer for informational purposes only and without representation or warranty as to the accuracy or completeness of the contents of such materials.

(d) In connection with its inspections, Buyer shall keep the Property free and clear of any liens and will indemnify (to the extent that the Buyer has legal authority to do so), defend, and hold Seller Parties (as defined below) harmless from all Claims (as defined below) asserted by third parties against any Seller Parties or otherwise incurred by any Seller Parties as a result of Buyer's entry onto or testing of the Property by Buyer, its agents, employees or contractors. Buyer shall not undertake any intrusive investigations without the advance written consent of Seller, which may be withheld in Seller's sole discretion. If any inspection or test undertaken by Buyer or any of its agents, employees, contractors or consultants damages the Property, Buyer will restore the Property to its condition before any such inspection or test as commercially practicable; or Buyer shall reimburse Seller for all reasonable expenses incurred by Seller in repairing such damages if Buyer does not promptly repair such damages after written notice of such damages has been delivered by Seller to Buyer. This paragraph 14(d) shall survive Closing and any termination of this Agreement.

(e) If in Buyer's sole discretion, Buyer decides that it will proceed with the purchase of the Property, Buyer shall give Seller written notice of such fact on or before expiration of the Inspection Period (the "**Approval Notice**"). Except for reasons pertaining to the condition of title of the Property, which shall be governed by paragraph 15 above, if Buyer is not satisfied for any or no reason with the Property, in Buyer's sole and absolute discretion, Buyer may elect to terminate this Agreement by giving written notice to Seller on or before the expiration of the Inspection Period. If Buyer timely terminates this Agreement on or before the expiration of the Inspection Period or fails to timely deliver the Approval Notice to Seller, then this Agreement shall terminate, the Deposit then on hand with Escrow Agent (less the Independent Consideration) shall be immediately returned to Buyer, less Buyer's share, if any, of any cancellation fees and charges imposed by Escrow Agent, without further instruction and neither Party shall have any further liability or obligations hereunder, except for those obligations expressly stated to survive the termination of this Agreement.

(f) As used herein, "**Seller Parties**" shall mean collectively, Seller, each and all of its officers, directors, employees, shareholders, affiliates, subsidiaries, principals, parents, trustees, attorneys, joint venturers, related Parties and entities, contractors and agents, each and all of the predecessors, legal representatives, heirs, successors and assigns of any of the foregoing and their respective subsidiaries, parents, affiliates, joint venturers, directors, officers, members, principals, investors, shareholders, trustees, designees,

lenders, beneficiaries, employees, agents, brokers, property managers, asset managers, representatives, predecessors, successors, assigns, contractors, subcontractors, fiduciaries, insurers, heirs, estates, servants, other related Parties and persons, and attorneys, past and present.

(g) As used herein, "*Claims*" shall mean any and all actual or threatened claims, detriments, rights, remediation, counterclaims, liens, controversies, obligations, agreements, executions, debts, covenants, promises, suits, causes of action, actions, demands, liabilities, losses, damages, assessments, judgments, fines, penalties, threats, sums of money, accounts, costs, expenses, known or unknown, direct or indirect, at law or in equity (including, without limitation, reasonable attorneys' fees and other professional fees of attorneys and professionals selected by the protected Party), whether incurred in connection with an investigation, non-judicial, quasi-judicial, judicial, mediative, arbitative, or administrative actions or proceedings or otherwise (including pretrial, trial, appellate, administrative, bankruptcy or insolvency proceedings) or in settlement or in any other proceeding and whether or not suit was filed thereon. Notwithstanding the foregoing, in no event shall "*Claims*" include any of the foregoing that relate to or arise from any environmental act, omission, event or condition at, on, under or about the Property prior to Closing (collectively, a "*Pre-Closing Environmental Claim*," except for such matters that are the result of contamination negligently caused (as opposed to merely discovered) by Buyer or Buyer's employees, agents, representatives or contractors).

17. Environmental Conditions. Subject to the terms and conditions of this paragraph, Seller shall not be responsible for the remediation of Hazardous Materials on the Property, except that Seller shall be responsible for effecting (a) any cure recommended in the Phase I Report or, if applicable, the Phase II Report, and (b) the clean-up and remediation of any and all Hazardous Materials first released, spilled, discharged or caused to be present on, in or under the Property, or applicable portion thereof, following the Effective Date by Seller or any of the Seller Parties, including, without limitation, any Hazardous Materials first released, spilled, discharged or caused to be present on, in or under the Property, or applicable portion thereof, during the term of the Lease by Seller or any of the Seller Parties.

(a) In the event the Inspection Period is extended by twenty (20) days after Buyer's receipt of the Phase II Report pursuant to paragraph 16, Seller shall deliver to Buyer a corrective action plan/remediation plan (the "*Remediation Plan*") that addresses any existing environmental conditions revealed by any Phase II investigation or Phase II Report ("*Existing Environmental Conditions*"). The Remediation Plan shall describe: (i) any remedial actions required or recommended by any governmental authority with respect to such Existing Environmental Conditions in order to ensure the Property is not in violation of applicable laws; (ii) whether Seller will enter the Vermont Voluntary Cleanup Program after the Inspection Period; (iii) any remedial actions necessary to achieve the soil and groundwater Cleanup Standards set forth in the Vermont Department of Environmental Conservation Cleanup Standards for Soil and Groundwater for Existing Environmental Conditions; (iv) Seller's estimate as to when it might obtain from the Vermont Department of Environmental Conservation a closure certificate; (v) any maintenance and monitoring activities that are required under the Voluntary Cleanup Program in connection with Existing Environmental Conditions; and (vi) any other remedial action for such Existing Environmental Conditions as may be required by applicable law.

(b) In the event any Phase II investigation or Phase II Report reveals any Existing Environmental Conditions the remediation of which Seller reasonably believes will cost more than Fifty Thousand Dollars (\$50,000), Seller shall have the sole and absolute right to rescind this Agreement, in which case the Deposit shall be returned to Buyer. This paragraph shall survive the Closing.

(c) In the event Seller is obligated to perform any remedial actions under this Agreement, the Parties shall mutually agree upon any proposed remedial actions set forth in the Remediation Plan, but such approval shall not affect Seller's obligations as provided herein. In the event Seller obtains such approval, Seller shall have the right of reasonable access to the Property for the purpose of conducting such remedial actions and complying with the terms of this Agreement; provided, however, that Seller shall: (i) notify Buyer in

writing at least two (2) days prior to any proposed entry on the Property (which notice shall detail the proposed scope of work to be performed) and afford Buyer an opportunity to observe such activities; (ii) undertake all activities required in connection with this Agreement in a manner so as to not disrupt tenants and other occupants of the Property; and (iii) promptly after entry onto the Property, and in no event later than two (2) days after each entry or earlier if required to ensure site safety, restore or repair to its original condition any damage thereto caused by or otherwise arising from any act or omission by Seller, its agents, representatives or contractors. To the extent that any remedial action is performed by Seller which involves any physical intrusion on the Property, Seller shall obtain Buyer's written approval prior to the commencement of such activities, including, without limitation, approval of the schedule, design, location, installation, and operation of any remediation facilities; such approval shall not be unreasonably withheld, provided that the activities do not disrupt tenants and other occupants at the Property. Seller shall keep the Property free from all liens and claims, including liens and claims of mechanics and materialmen as a result of Seller's activities at the Property in connection with this Agreement. Seller shall provide Buyer, promptly upon receipt, with copies of all notices, correspondence, reports, and other information and matters received or sent relating to Existing Environmental Conditions or Seller's participation in the Voluntary Cleanup Program. This paragraph shall survive Closing.

18. AS-IS PURCHASE. Except as may be expressly provided in this Agreement, and to the maximum extent permitted by applicable law, (i) the sale of the Property as provided for herein is made on an "AS-IS" and "WITH ALL FAULTS" basis, and (ii) Seller has no obligations to make any repairs, replacements or improvements. Except as may be expressly provided in this Agreement, Buyer agrees that it will accept the Property from and after closing, in its then existing condition "AS-IS" and "WITH ALL FAULTS", including without limitation, any faults and conditions specifically referenced in this Agreement. No person acting on behalf of Seller or any other Seller Party is authorized to make, and by execution hereof, Buyer acknowledges and agrees that, except as specifically provided in this Agreement (and the exhibits attached hereto), Seller and all other Seller Parties have not made, do not make and specifically negate and disclaim any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to: (a) the value of the Property; (b) the income to be derived from the Property; (c) the suitability of the Property for any and all activities and uses which Buyer may conduct thereon, including any development of the Property; (d) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Property; (e) the manner, quality, state of repair or lack of repair of the Property; (f) the nature, quality or condition of the Property, including without limitation, the water, soil and geology; (g) the compliance of or by the Property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (h) the manner, condition or quality of the construction or materials, if any, incorporated into the Property; (i) compliance with any environmental laws or other environmental protection, pollution or land use laws, rules, regulation, orders or requirements, including but not limited to, the Endangered Species Act, Title III of the Americans With Disabilities Act of 1990 or any other law, rule or regulation governing access by disabled persons, the Federal Water Pollution Control Act, the Federal Resource Conservation and Recovery Act, the U.S. Environmental Protection Agency regulations at 40 C.F.R., part 261, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, the Resources Conservation and Recovery Act of 1976, the Clean Water Act, the Safe Drinking Water Act, the Hazardous Materials Transportation Act, the Toxic Substance Control Act, and regulations promulgated under any of the foregoing; (j) the presence or absence of Hazardous Materials at, on, under, about or adjacent to the Property; (k) the content, completeness or accuracy of the due diligence materials, including any informational package, cost to complete estimate or other materials prepared by Seller or provided by Seller or any other Seller Party to Buyer; (l) the conformity of the improvements to any plans or specifications for the Property, including any plans and specifications that may have been or may be provided to Buyer; (m) the conformity of the Property to past, current or future applicable zoning or building requirements; (n) deficiency of any undershoring; (o) deficiency of any drainage; (p) the fact that all or a portion of the Property may be located on or near an earthquake fault line or located in an *alquist-priolo* special study zone; (q) the existence of vested land use, zoning or building entitlements affecting the Property, or (r) with respect to any other matter concerning the Property, including any and all such matters referenced, discussed or disclosed in any due diligence materials delivered by Seller to Buyer, in any public

records of any governmental agency or entity or utility company, or in any other documents available to Buyer, except as may be otherwise expressly stated herein.

Buyer further acknowledges and agrees that having been given the opportunity in this Agreement to further inspect the Property and review information and documentation affecting the Property, Buyer is relying solely on its own investigation of the Property and review of such information and documentation, and Seller's representations and warranties set forth in this Agreement. Buyer acknowledges and agrees that any information made available to Buyer or provided or to be provided by or on behalf of Seller with respect to the Property was obtained from a variety of sources and that Seller has not made any independent investigation or verification of such information and makes no representations as to the accuracy or completeness of such information prepared by third parties except as may otherwise be provided herein. Buyer hereby represents and warrants to Seller that: (a) Buyer is represented by legal counsel in connection with the transaction contemplated by this Agreement; and (b) Buyer is purchasing the Property for business and commercial development or other similar purpose. Buyer waives any and all rights or remedies it may have or be entitled to, deriving from disparity in size or from any significant disparate bargaining position in relation to Seller.

19. Assumption and Release. From and after Closing, Buyer, on behalf of Buyer and Buyer's representatives, employees, agents and each of their respective successors and assigns (collectively, including Buyer, the "**Buyer Parties**"), to the maximum extent permitted by law waives, releases, remises, acquits, and forever discharges Seller Parties of and from any and all claims of whatever kind and nature, in law or in equity, known or unknown, which any Buyer Party ever had, now has, hereafter can, shall or may have or acquire or possess, at law or in equity, arising out of or in any way connected with, (i) any Seller Party's use, maintenance, ownership, or operation of the Property prior to closing, or (ii) the physical, economic, or legal condition of the Property, and all other title or due diligence matters described herein. Additionally, upon closing Buyer assumes the risk of all adverse matters with respect to the Property, including adverse physical conditions, defects, construction defects, which may not have been revealed by Buyer's inspections. Notwithstanding the foregoing, in no event does this waiver, release, remise, acquittal or discharge or assumption of risk apply to (i) any environmental claim related to a recognizable environmental condition ("**REC**") described in the Phase II Report and which Seller agrees to cure pursuant to paragraph 17, above, or related to a REC which, after the effective date, Seller agrees in writing to cure, (ii) any breach by Seller of any representation, warranty or covenant set forth in this Agreement, (iii) any breach by Seller of any covenant or agreement set forth in this Agreement or the assignment of warranties, service contracts and intangible Property, (iv) any breach or default by Seller of any indemnification obligation under this Agreement, (v) any breach by Seller of any of its covenants, agreements or obligations under the lease or (vi) any fraud committed by Seller or any of the other Seller Parties. It is understood and agreed that the Purchase Price has been adjusted by prior negotiations to reflect that all of the Property is sold by Seller and purchased by Buyer subject to the foregoing. It is not contemplated that the Purchase Price will be increased if costs to Buyer associated with the Property prove to be less than expected nor will the Purchase Price be reduced if the Buyer's plan for the Property leads to higher cost projections. The provisions of this paragraph 19 shall indefinitely survive the Closing or termination of this Agreement and shall not be merged into the Closing documents.

20. Real Estate Taxes. Real estate taxes and other municipal assessments assessed by the Town of Brattleboro shall be prorated according to its tax year as of the date of Closing (which commences on July 1 each year). In the event Seller has filed one or more real property tax assessment appeals and/or personal property tax appeals and such appeal(s) are pending, or in the event Seller files similar tax appeals for other years, including the current tax year, Seller reserves and retains all rights to prosecute all such appeals. Seller shall bear all the costs associated with such appeals, including, but not limited to, filing fees, legal fees, appraisal fees, and consulting fees (the "**Appeal Costs**"). Seller shall be entitled to receive (a) any and all refunds attributable to the period prior to Closing and (b) a payment from Buyer equal to any credit that Buyer receives (and is not reflected in a reduction in the amount of the taxes paid by Seller as tenant thereafter under the Lease) for real and/or personal property taxes that were paid by Seller and that pertain to the period of time after Closing and prior to the termination of the Leaseback. In the event that Seller's appeal for the current tax year directly produces a reduction in taxes owed by Buyer during the current tax year but after the expiration of the

Lease, and/or should there be, as a result of Seller's appeals, a reduction in subsequent tax years following the expiration of the Lease by action of law, by inclusion in a stipulation or by passage of time, Buyer shall pay to Seller a sum equal to Buyer's prorated share of the Appeal Costs reasonably incurred by Seller associated with the appeal for the respective tax year.

21. Risk of Loss. If, after the Effective Date and prior to the Closing Date (a) any condemnation, eminent domain or similar action is instituted or threatened for the taking or appropriation of all or any part of the Property (a "**Taking**"), or (b) any fire, flood, earthquake, or other casualty destroys or damages all or any part of the Property or the construction, development, use, ownership or operation thereof (a "**Casualty**"), then promptly following Seller's receipt of notice or knowledge thereof, Seller shall give notice to Buyer of such fact and the degree to which such Casualty, if applicable, is covered by insurance (together with complete and accurate copies of all insurance policies providing that coverage). In the case of a Taking, or threatened Taking (other than a Taking: (i) by Buyer; (ii) by the City of Brattleboro; or (iii) a Taking for street widening which does not impair access to the Property or the future development of the Property as determined by Buyer), or in the case of a Casualty, which, in the opinion of an independent adjuster mutually acceptable to Seller and Buyer, will cost more than Fifty Thousand Dollars (\$50,000) (the "**Threshold Amount**" to restore, repair or replace, Buyer shall have the option to terminate this Agreement by giving notice thereof to Seller within fifteen (15) business days after Buyer's receipt of notice (and copies of insurance policies, if applicable) from Seller of such Taking (or threatened Taking) or Casualty, in which event Buyer, as its sole remedy, shall be entitled to receive a refund of the Deposit then on hand with Escrow Agent, and all awards, proceeds and compensation for such Taking or Casualty, as applicable, shall be the property of Seller. Upon such termination, neither Party shall have any further rights or obligations hereunder, except for rights and obligations that, pursuant to the provisions of this Agreement, are expressly made to survive the termination hereof. If Buyer fails to timely notify Seller of its election to terminate this Agreement within the aforesaid period, then Buyer shall be deemed to have elected not to terminate this Agreement by reason of such Taking (or threatened Taking) or such Casualty with respect to which Seller gave Buyer notice. In the event of any Taking (or threatened Taking) that is not materially adverse to Buyer, in Buyer's sole determination (except that actual or threatened street widening of strips of the Real Property less than ten (10) feet wide shall be deemed immaterial for purposes hereof), or in the event of a Casualty where the damages arising therefrom, including the cost to repair or restore the Property, as estimated by an independent adjuster mutually acceptable to Seller and Buyer are equal to or less than the Threshold Amount or in the event of a Taking (or threatened Taking) or a Casualty with respect to which Buyer does not elect to terminate this Agreement as a result thereof, then Seller shall assign and transfer to Buyer, without any representation or warranty by Seller or recourse whatsoever to Seller, all of Seller's right, title and interest in, and any sums actually received or to be received by Seller, if any, with respect to all damages, settlements, awards, proceeds (including insurance proceeds) and compensation arising therefrom, less reasonable amounts expended by Seller prior to Closing for repairs to the Property from the Casualty or Taking that are required by law to be made or were made by Seller to alleviate an imminent risk of damage to the Property or injury to persons, and Seller's costs or collection and prosecuting such claims and awards, and Buyer shall purchase the Property with no reduction in the Purchase Price on account thereof except that Seller shall credit to Buyer at Closing the amount of Seller's deductible under any policy of insurance applicable to such damage to or destruction of the Property, or portion thereof and an amount equal to the estimated cost to repair any Building or Improvements so damaged or destroyed by such Casualty if it is an uninsured Casualty.

22. Transfer Taxes. Buyer shall pay at closing the applicable Vermont Property transfer tax imposed on the sale contemplated hereby. Seller shall be responsible to pay all land gains tax related to the sale and all withholding related thereto. At or prior to Closing, Seller shall provide Buyer with satisfactory proof either that there is no such tax due or that the tax has been paid in full, or shall provide a certificate from the Vermont Department of Taxes specifying the amount of any tax that may be due as a result of the sale. If Seller is a non-resident of Vermont, unless a withholding certificate is issued by the Vermont Commissioner of Taxes in advance of the Closing, Buyer shall withhold two and one-half percent (2.5%) of the total Purchase Price and file a withholding tax return with the Vermont Department of Taxes. In addition, if the sale of the Property subjects Seller to the payment of federal tax under the Foreign Investment in Real Property Tax Act (FIRPTA),

unless a withholding certificate is issued by the Internal Revenue Service, Buyer shall withhold ten percent (10%) of the Purchase Price and file a Withholding Tax Return with the Internal Revenue Service.

23. Default by Buyer. If Buyer fails to make any payment as agreed after exercise of the Option, then this Agreement shall be terminated and Seller shall retain the Option Consideration previously paid by Buyer as full liquidated damages, and as Seller's sole remedy hereunder. In the event the closing and the consummation of the transactions herein contemplated does not occur as herein provided by reason of any material default of Buyer hereunder, and Buyer does not cure such default within two (2) business days following receipt by Buyer of written notice of such default from Seller, Buyer and Seller agree that it would be impractical and extremely difficult to estimate the damages suffered by Seller as a result of Buyer's material default in its obligation to complete the purchase of the property pursuant to this Agreement, and that under the circumstances existing as of the date of this Agreement, the liquidated damages provided for in this paragraph represent a reasonable estimate of the damages which Seller will incur as a result of such material default; provided, however that this provision will not waive, limit or affect any of the following ("**Non-Liquidated Obligations**"): (i) Seller's right to receive reimbursement for reasonable attorneys' fees under this Agreement, (ii) Buyer's release or indemnity obligations under this Agreement, and (iii) Seller's rights and remedies arising under or with respect to Buyer's release and/or indemnity obligations under this Agreement. Therefore, Buyer and Seller do hereby agree that a reasonable estimate of the total net detriment that Seller would suffer in the event that Buyer materially defaults in its obligation to complete the purchase of the property is an amount equal to the deposit. Said amount will be the full, agreed and liquidated damages for the breach of this Agreement by Buyer and shall be Seller's sole and exclusive remedy (other than Seller's rights and remedies arising under or out of the non-liquidated obligations) in the event of a material default by Buyer of its obligation to purchase the property under this Agreement. The payment of such amount as liquidated damages is not intended as a forfeiture or penalty but is intended to constitute liquidated damages to Seller. Upon material default by Buyer and failure to cure such default within two (2) business days following Buyer's receipt of written notice of such material default, this Agreement will be terminated and, except for Seller's rights and remedies arising under or out of the non-liquidated obligations and Seller's right to collect and retain Buyer's deposit as provided hereunder, neither Party will have any further rights or obligations hereunder, each to the other.

24. Default by Seller. If Seller shall default in any of its obligations to be performed under the terms of this Agreement and if such default shall continue for two (2) business days after notice to Seller, then Buyer's sole right and remedy (in lieu of proceeding with any other legal course of conduct, the right to bring such actions or proceedings being expressly and voluntarily waived by Buyer to the extent legally permissible, following and upon advice of its counsel, and it being expressly acknowledged by Buyer that such waiver is a material inducement to Seller entering into this Agreement) shall be, in the sole discretion of the Buyer, either (i) the return of the Deposit plus reimbursement by Seller of Buyer's actual and reasonable documented third Party costs (inclusive of reasonable legal fees), up to the maximum aggregate amount of One Hundred Thousand Dollars (\$100,000) or (ii) pursue an action for the specific performance of this Agreement provided that Buyer initiates such proceeding no later than ninety (90) days after the later of Seller's alleged default or the Scheduled Closing Date, whichever first occurs, including the recordation or filing of a notice of *lis pendens* or notice of pendency solely in connection with Buyer's action for specific performance hereunder against any portion of the property. If Buyer fails to commence an action for specific performance within such (ninety) 90-day period, Buyer waives its rights to file such action and Buyer's sole remedy shall be to terminate this Agreement and receive a return of the Deposit under clause and Buyer's reasonable documented third Party costs, not to exceed One Hundred Thousand Dollars (\$100,000) as provided above.

25. Real Estate Brokerage. Buyer will not be responsible for any brokerage fees.

26. Seller's Representations. Seller represents that any buildings and improvements on the Property have been constructed according to all local, state and federal laws and regulations at the time of their construction; that no lawsuits or other proceedings are pending (or, to Seller's best knowledge, threatened) with respect to the Property or any portion thereof; and that no part of the Property has been placed in "current use" or has been given any other tax status, that may impose a penalty, or require a payment, in the event that the use

of the Property is changed in the future. To the best of Seller's actual knowledge, except as otherwise disclosed in the Property Information, Seller warrants to Buyer that there are no Hazardous Materials on, in or under the Property in violation of applicable environmental laws and the Property does not contain any underground tanks. For purposes of this Agreement, the term "**Hazardous Materials**" shall mean any chemical, substance, waste, or material which is deemed hazardous, toxic, a pollutant, or a contaminant under any federal, state or local law, statute, ordinance, rule, regulation, or judicial or administrative order or decision, or which has shown to have significant adverse effects on human health or the environment, including, without limitation, substances defined as "hazardous substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, *et seq.*; and those substances defined as "hazardous wastes" in the Hazardous Materials storage, use or discharge ordinances of the County.

27. Buyer's Representations. Buyer represents and warrants to Seller as follows: (a) the execution and delivery of this Agreement and the performance by Buyer of its obligations hereunder have been duly authorized by all necessary action on the part of Buyer; (b) the execution, delivery and performance of this Agreement do not violate any contract, agreement or commitment to which Buyer is a Party or by which Buyer is bound; (c) the person(s) executing this Agreement on behalf of Buyer is(are) authorized to do so on behalf of Buyer; (d) this Agreement has been duly executed and delivered by Buyer and is a valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, subject to bankruptcy, reorganization and other similar laws affecting the enforcement of creditors' rights generally; (e) Buyer has no knowledge of any action, proceeding, investigation, bankruptcy or insolvency proceeding pending or threatened against Buyer or any of the other Buyer Parties which would affect or impair in any respect Buyer's ability to consummate the transactions contemplated hereby or which questions the validity or enforceability of this Agreement; (f) Buyer has the financial capacity to pay the Purchase Price at the Closing and to otherwise perform its financial obligations under this Agreement; (g) Buyer is not an Ineligible Buyer. For purposes of this Agreement, "**Ineligible Buyer**" means any Person who is, or whose Affiliate is, (i) identified on any of the Lists (defined below), (ii) a "**Designated National**" as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, (iii) a Person designated under Section 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001), any related enabling legislation, any other similar Executive Order or any similar regulation, (iv) a Person who has been convicted of a felony involving moral turpitude in any state or federal court, (v) a Person who is then the subject of any investigation by any governmental authority or any class action litigation in which it is alleged that it or any of its Affiliates has engaged in "predatory" or other improper lending or servicing or other unethical or improper business conduct, (vi) the Broker (as hereafter defined) or an Affiliate of the Broker, or (vii) an individual or entity who has at any time owned an interest in the Property which interest was foreclosed upon. The representations and warranties of Buyer shall survive for twelve (12) months after the Closing.

28. Limitation on Liability. Notwithstanding anything to the contrary contained in this Agreement, Buyer agrees that its recourse against Seller under this Agreement or under any other agreement, document, certificate or instrument delivered by Seller to Buyer (other than the Lease), or under any law applicable to the Property or this transaction, shall be strictly limited to Seller's interest in the Property and rents and income therefrom and insurance proceeds payable to Seller (or upon consummation of the transaction contemplated hereunder, to the net proceeds of the sale thereof actually received by Seller, but in no event shall Buyer seek or obtain any recovery or judgment against any of Seller's other assets (if any) or against any of Seller's members, partners, or shareholders, as the case may be (or their constituent members, partners, or shareholders, as the case may be) or any director, officer, employee or shareholder of any of the foregoing. Buyer agrees that Seller shall have no liability to Buyer for any breach of Seller's covenants, representations or warranties hereunder or under any other agreement, document, certificate or instrument delivered by Seller to Buyer, or under any law applicable to the Property or this transaction, except to the extent permitted hereunder.

29. Miscellaneous. This Agreement shall be governed by and construed in accordance with the laws of the State of Vermont, and shall be binding on and be for the benefit of all Parties hereto, their respective heirs, successors, and assigns. The use of headings and captions in this Agreement is for purposes of

convenience only, and no caption or paragraph heading shall be construed or interpreted so as to affect in any way the meaning of this Agreement. No invalidity or unenforceability of any provision of this Agreement shall affect in any way the continued validity or enforceability of the remaining terms and provisions hereof. This Agreement shall not be effective unless and until executed and delivered by each of Buyer and Seller. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the Party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. If any provision in this Agreement is found by a court of competent jurisdiction to be in violation of any applicable law, and if such court should declare such provision of this Agreement to be unlawful, void, illegal or unenforceable in any respect, the remainder of this Agreement shall be severable, and the rights, obligations and interests of the Parties hereto under the remainder of this Agreement shall continue in full force and effect. To the extent permitted by applicable law, the Parties hereto waive any provision of law that which prohibits or renders void or unenforceable any provision hereof.

30. Execution. All Parties have signed two originals of this Agreement on the day and year written above. This Agreement may be executed in counterparts or with counterpart signature pages, all of which taken together shall constitute but a single instrument.

31. Recording of Option. The Parties acknowledge and agree that this Agreement may be recorded by either Party upon prior written notice to the other Party; provided, however, that in no event shall any of the Schedules or Exhibits attached hereto be recorded along with the Agreement.

32. Exclusivity. On and after the Effective Date, and continuing until either the Closing occurs or this Option is terminated or expires, Seller agrees that it will not market the Property or enter into or continue any discussions or contracts with any person or entity other than Buyer, regarding a purchase of the Property. The Parties agree that, since Buyer's intended use of the Property does not require use of the entire Property, Buyer will have the right to market both the portion of the Property that Buyer intends to use (the "**Project Property**"), and the portion of the Property that Buyer does not intend to use, excluding that portion of the Property that Seller shall Leaseback from Buyer under the Lease (the "**House Property**"), both separately and together, during the Option Period, so that if an Option is terminated without a sale occurring to Buyer hereunder, Seller will have had the benefit of exposure of the Property in the marketplace. In the event that this Agreement terminates without a sale to Buyer occurring, Buyer agrees to assign to Seller upon request by Seller after such termination, all offers received by Buyer for the Property during the Option Period. Buyer further agrees to share with Seller copies of all offers received by Buyer for the Property (either in whole or in part) during the Option Period, so that Seller will remain informed as to efforts to sell the Property, in the event the sale to Buyer does not occur as contemplated hereunder. The foregoing notwithstanding, the right of Buyer to purchase the Property shall always be superior in right to any right or offer of any other Party, so long as this Agreement remains in effect.

33. No Assignment by Buyer. This Agreement may not be assigned by Buyer without the prior written consent of Seller, which consent may be withheld in Seller's sole and absolute discretion. Notwithstanding the foregoing, Buyer may assign this Agreement to an entity managed and one hundred percent (100%) controlled by Buyer or to any entity controlling, controlled by or in common control with Buyer; provided, however, Buyer shall provide documentation reasonably acceptable to Seller to confirm the management and control of the proposed assignee or that such assignee is an entity controlling, controlled by or in common control with Buyer. Any attempted assignment requiring Seller's consent that is conducted without Seller's required prior written consent will, at Seller's option, be voidable and constitute a material breach of this Agreement. If an assignment requires the consent of Seller and Seller consents to an assignment, the assignment will not be effective against Seller until Buyer delivers to Seller a fully executed copy of the assignment instrument, which instrument must be reasonably satisfactory to Seller in both form and substance, pursuant to which the assignee assumes and agrees to perform for the benefit of Seller the obligations of Buyer under this Agreement accruing from and after the effective date of such assignment, and pursuant to which the assignee makes the warranties and representations required of Buyer under this Agreement. Any such assignment will not release Buyer from any of its obligations under this Agreement. In the event of an

assignment by Buyer of this Agreement, Buyer shall pay one hundred percent (100%) of the transfer taxes, if any, and transaction costs payable in connection with such assignment, if any, and Buyer shall indemnify, hold harmless and, if requested by Seller (in Seller's sole discretion), defend (with counsel approved by Seller) Seller Parties from and against any and all Claims arising from or related to such assignment. Any assignment permitted under this Section shall not be effective until immediately preceding the close of Escrow. The provisions of this Section shall survive Closing.

34. Entire Agreement. This Agreement, together with the Schedules and Exhibits attached hereto, sets forth the entire and exclusive agreement between the Parties as to the subject matter hereof and supersedes all prior and contemporaneous understandings, negotiations and agreements, whether written or oral, between the Parties.

35. Counterparts. This Agreement may be executed in several counterparts, by e-mail and with electronic signatures (e.g., exchanged PDF files), each of which will be deemed an original, and all of which taken together will constitute one single agreement between the Parties with the same effect as if all the signatures were upon the same instrument. An electronic signature shall be as legally effective as an original signature.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

**BUYER**

**Town of Brattleboro**

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Name: Peter B. Elwell  
Title: Town Manager

**SELLER**

**Brattleboro Publishing Company, Inc.**

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Name: Michael Koren  
Title: Chief Executive Officer

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_, ss \_\_\_\_\_, 2015

Then personally appeared the above-named \_\_\_\_\_ known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument and acknowledged that they had executed the said instrument as the free act and deed of each of them, and for the purposes as expressed therein.

Before me,

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Print Name

My Commission Expires: \_\_\_\_\_

SCHEDULE A

*Option Schedule*

1. First Option Period. As and for the Option Consideration due to Seller for the first Option Period, Buyer shall pay Seller the Option Consideration of Twenty Thousand Dollars (\$20,000), which shall be due and payable to Seller upon the Effective Date. The first Option Period shall commence on the Effective Date and terminate at midnight on March 31, 2016.
  
2. Second Option Period. As and for the Option Consideration due for the second Option Period, Buyer shall pay Seller the Option Consideration of Ten Thousand Dollars (\$10,000), which shall be due and payable to Seller on April 1, 2016. The second Option Period shall commence on April 1, 2016 and terminate at midnight on June 30, 2016.
  
3. Third Option Period. As and for the Option Consideration due to Seller for the third Option Period, Buyer shall pay Seller the Option Consideration of Ten Thousand Dollars (\$10,000), which shall be due and payable to Seller on July 1, 2016. The third Option Period shall commence on July 1, 2016 and terminate at midnight on September 30, 2016.

**SCHEDULE B**

*Legal Description of Property*

The Property referred to in this Agreement is described as follows:

Commencing at a point marked by an iron pipe set in concrete on the southerly right of way bound of Black Mountain Road and 576.71 feet westerly from the westerly bound of Putney Road, said point marking the northeast corner of the parcel conveyed herein;

thence South 20° 26' 52" west along land of Anthony F. Cersosimo to a distance of 336.11 feet to an iron pipe set in concrete;

thence South 15° 29' 42" west along lands used for banking purposes by the First Vermont Bank and Trust Company, a distance of 240.23 feet to a concrete monument;

thence North 78° 53' 17" west along land of Richard Grossman and Robert Baker, Trustees, a distance of 127.00 feet to a concrete monument;

thence North 67° 17' 36" west along other land of the Grantor a distance of 355.94 feet to a concrete monument on the easterly bound of land of the State of Vermont over which runs the Interstate 91 highway;

thence North 35° 17' 38" east along said land of the State of Vermont a distance of 275.67 feet to an iron pipe;

thence South 70° 51' 24" east along land now or formerly of Marie Thomas a distance of 191.21 feet to an iron pipe;

thence North 19° 08' 36" east along land of the said Marie Thomas a distance of 277.00 feet to an iron pipe in a fenceline on the southerly bound of the old Black Mountain Road now used for access to land of said Thomas;

thence South 79°04' 58" east along the southerly bound of old Black Mountain Road a distance of 156.92 feet to a point;

thence continuing South 79° 04' 58" east along the southerly bound of Black Mountain Road a distance of 50.70 feet to the point of commencement, all bearings being referenced to True North.

Said parcel containing 4.25 acres, more or less.

**SCHEDULE C**

*Fundamental Lease Terms*

<b>LANDLORD:</b>	Town of Brattleboro, a Vermont chartered municipality
<b>TENANT:</b>	Brattleboro Publishing Company, Inc., a Delaware corporation
<b>PREMISES:</b>	2,000 square feet – 3,000 square feet of office space
<b>FULL SERVICE GROSS:</b>	Landlord shall be responsible for the payment of taxes, repairs and maintenance, operating expenses, capital expenses, insurance, electricity and utilities
<b>LEASE TERM:</b>	The Lease shall commence on the date that a grant deed is recorded vesting title to the Property in Landlord (the " <i>Commencement Date</i> ") and shall continue for a period of three (3) years after the Commencement Date (" <i>Initial Term</i> "). Tenant shall have two (2) separate options to extend the Lease by additional three (3) years terms (collectively, the " <i>Lease Term</i> ")
<b>RENT:</b>	\$12/square foot of office space actually leased under the Lease. Rent shall increase by two percent (2%) per annum during the Lease Term
<b>SECURITY DEPOSIT:</b>	None
<b>USE:</b>	General office use and ancillary uses in connection with the operation of a news and media company



# POLICE-FIRE FACILITIES PROJECT

## PUBLIC INFORMATION MEETINGS

The Town of Brattleboro is holding 3 special meetings to present information and hear public comment about the proposed alternatives for this project. Everyone is invited and encouraged to attend at least one of these meetings:

**SATURDAY, NOVEMBER 21, AT 9:00 AM, AT THE GREEN STREET SCHOOL GYM**

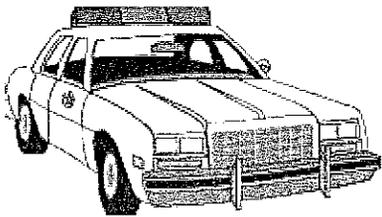
**MONDAY, NOVEMBER 30, AT 6:00 PM, AT THE ACADEMY SCHOOL GYM**

 (ASL interpreters will attend this meeting and BCTV will record it for later broadcast)

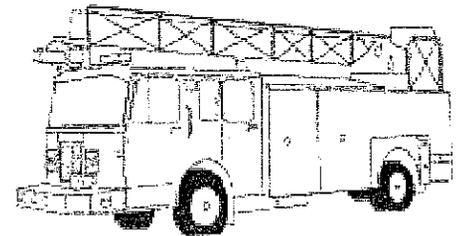
**WEDNESDAY, DECEMBER 2, AT 6:00 PM,**

**AT THE BRATTLEBORO AREA MIDDLE SCHOOL MULTI-PURPOSE ROOM**

The Town of Brattleboro seeks public participation to help decide how to move forward on this important project. The public safety and property tax impacts of this decision will affect our entire community.



## PLEASE JOIN US AT THESE MEETINGS



Town of Brattleboro  
Town Manager's Office  
230 Main Street, #208  
Brattleboro, VT 05301

PRST STD  
ECRWSS  
US POSTAGE  
PAID  
EDDM RETAIL



ECRWSS

LOCAL  
POSTAL CUSTOMER

## YOU'RE INVITED!

## PUBLIC INFORMATION MEETINGS

# MEMORANDUM

To: Selectboard  
From: Peter B. Elwell, Town Manager  
Re: Police/Fire Facilities Project –  
Schedule of Public Information Meetings  
Date: October 21, 2015



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## RECOMMENDATION

Staff recommends Selectboard approval of the following schedule for public informational meetings regarding the Police/Fire Facilities Project:

**Saturday, November 21, beginning at 9:00 a.m.**  
**Monday, November 30, beginning at 6:00 p.m.**  
**Wednesday, December 2, beginning at 6:00 p.m.**

## BACKGROUND

The backup materials for this item in the notebooks for the October 6 Selectboard meeting included a tentative schedule for considering and acting upon the alternatives for the Police/Fire Facilities Project. The first entry in that tentative schedule was:

NOVEMBER/DECEMBER 2015: Series of Public Meetings to Restate Need,  
Describe Alternatives, and Receive Public Comment

Jan Anderson has checked the individual calendars of all 5 Selectboard members, 7 applicable Town staff members, and the architect and owner's representative who are working on this project, and we have identified the above referenced dates as the best available opportunities for holding these meetings during the period between November 2 and December 4. (The architect is the only person who is unable to attend the November 21 meeting and everyone is able to attend both of the other meetings.) We are working with the potential venues (first choices are Academy School, Oak Grove School, and the Gibson-Aiken Center, and we will contact alternative venues, if needed) to identify the specific location for each of these meetings. We also are requesting that BCTV televise and record the November 30 meeting and we will arrange for sign language interpreters to participate in that meeting, as well. We will provide updates on those logistical matters at the October 27 Selectboard meeting.

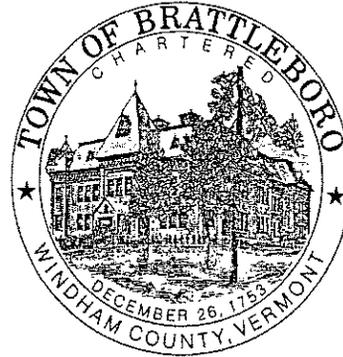
PBE:

~~Attachments~~

c: Michael Fitzgerald, Police Chief  
Michael Bucossi, Fire Chief  
Russell Rice, Town Assessor  
John O'Connor, Finance Director  
Patrick Moreland, Assistant Town Manager

# MEMORANDUM

To: Selectboard  
From: Peter B. Elwell, Town Manager  
Re: Police/Fire Facilities Update and Summary of Project Alternatives  
Date: October 5, 2015



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## RECOMMENDATIONS

1. Authorize the Town Manager to execute an option agreement that will enable the Town to consider future purchase of 62 Black Mountain Road, the Brattleboro Reformer building. (Note that this is not a commitment to buy the property, but rather an option to hold the property from being sold to anyone else while the Town conducts a thorough public review of the pro's and con's of relocating the Police Department to that property vs. renovating and expanding the Police Department facilities at the Municipal Center.) The terms of the option agreement are summarized later in this memorandum.
2. Commit to a series of public meetings at various locations throughout Brattleboro to review the alternatives for this project and solicit public questions, comments, and/or concerns about those alternatives.

## LONG HISTORY

Brattleboro has been considering upgrades to its Police and Fire facilities for more than 20 years. Numerous conceptual plans and several detailed plans have been identified, reviewed, and acted upon to varying extents. The closest the Town came to actually constructing these improvements was in the spring of 2014 (using what are referred to in this memorandum as "the 2013 Plans"). The Selectboard and Town Meeting had authorized that project and the bonds necessary to fund it, but defeat of the proposed FY15 budget in a Townwide referendum prevented the borrowing of sufficient funds to proceed.

The need for this project has now become critical. During the decades of planning and consideration of various alternatives, the Town has avoided spending any significant sums of money on building renovations at the Police and Fire facilities. This was a prudent approach while the Town was pursuing a full-scale modernization of these facilities, but since none of those previous full-scale projects came to pass, the buildings have deteriorated and it is now absolutely essential that the Town proceed with this project in some form. There are mold, asbestos, and structural issues that must be addressed as a matter of basic safety and compliance with applicable regulations. Other improvements that are not strictly-speaking "required" nevertheless represent a moral obligation for the safe and efficient provision of the Town's essential public safety services. I believe a compelling case can be made for how the community will benefit from investing in a complete modernization of these facilities, but in the absence of a full-scale project the Town will need to spend several million dollars just to make the current facilities safe and functional.

The remainder of this memorandum will describe recent work on refining plans for the project and will review the current alternatives that have resulted from that work.

## RECENT HISTORY

When I began my service as Town Manager in January of 2015, the Selectboard asked me to take a fresh look at this project and offer my best advice on how to proceed. While they expressed hope that we could reduce the total cost of the project, Selectboard members' main emphasis was on identifying the right path forward, whether or not that path created cost savings compared to prior plans. One element of my "fresh look" was consideration of the "north end alternative" that had been recommended in late 2014 by the Selectboard-appointed Police-Fire Facilities Building Committee.

After reviewing the history of this matter and the 2013 building plans, I developed a list of questions and potential changes to those plans, which I then reviewed with Police Chief Michael Fitzgerald, Fire Chief Michael Bucossi, Assistant Town Manager Patrick Moreland, and others to refine the program scope. The chiefs and I used the refined program scope, in conjunction with Project Manager Steve Horton and Project Architect Ray Giolitto, to modify the conceptual designs for the Central Fire Station and for the Police Department's Municipal Center alternatives. (Earlier decisions to reduce the scale of the West Brattleboro Fire Station and to change its construction form to a wood frame building had already achieved material cost savings and reduced that facility to its minimum functional requirements.) Town Assessor Russell Rice and I also used the refined scope for the Police Department facilities to consider several properties for the "north end alternative." After reporting to the Selectboard that this alternative could save a substantial amount of money, I recommended that we negotiate terms for an option to purchase 62 Black Mountain Road and the Board concurred. Having completed those negotiations and arrived a fair price for the property, we are now ready to bring all the alternatives out for public review so the Selectboard and Town Meeting representatives can make a fully informed decision on how to proceed.

## CURRENT PROJECT ALTERNATIVES AND COST ESTIMATES

Each of the current alternatives is listed below, along with a total project cost estimate (not including borrowing costs) for each. Due to the still preliminary nature of these estimates and to make it easier to compare the alternatives, I have rounded the estimates in this section to the nearest \$50,000. A summary of anticipated costs for each alternative is attached at the end of this memorandum. Those summaries include precise cost estimates prepared in August 2015.

Police Department at 62 Black Mountain Road  
Reduced Scope Central Fire Station  
Same Scope West Brattleboro Fire Station  
\$12,750,000

Police Department at Municipal Center w/ Footprint Similar to the 2013 Plans  
Reduced Scope Central Fire Station  
Same Scope West Brattleboro Fire Station  
\$13,750,000

Police Department at Municipal Center w/ Smaller Footprint than the 2013 Plans  
Reduced Scope Central Fire Station  
Same Scope West Brattleboro Fire Station  
\$13,900,000

2013 Plans for All Three Facilities (updated for inflation)  
\$15,000,000

## **WEST BRATTLEBORO FIRE STATION**

As described above, I believe the West Brattleboro Fire Station portion of this project has been reduced to its minimum functional requirements. Any further reduction in the program would render the station inadequate to serve its purpose and any further reduction in the projected construction materials would be "penny wise and pound foolish." Therefore, for all of the alternatives presented herein, the West Brattleboro Fire Station portion of the project remains exactly as it was previously recommended by the Police-Fire Facilities Building Committee and approved by the Selectboard.

## **CENTRAL FIRE STATION**

The revised plan for updating and expanding the Central Fire Station is the same in all of the new alternatives for this project. The proposed modifications from the prior plan have reduced the estimated cost of this facility by approximately \$550,000. This is the estimated net impact of approximately \$650,000 in construction cost savings offset by approximately \$100,000 of additional design fees (due to the substantial changes in the layout of the building). The top floor of the proposed addition would be eliminated (by eliminating the proposed Emergency Operations Center and relocating the other top floor spaces to other parts of the building) and other components of the building would be moved and/or reduced.

## **POLICE STATION**

The North End Alternative provides the greatest potential cost savings of the three Police facility alternatives. The total cost estimate for this facility is \$1.7 million lower than the 2013 plans for the Municipal Center. The Town would purchase the building at 62 Black Mountain Road and would renovate most that building to become the new Police headquarters. A portion of the building (2,000 square feet) would be separated from the rest of the building and leased to the current owners. The loss of property taxes for taking this property off the Grand List would be almost exactly offset by the expected net rental income. While this is the most cost effective alternative for meeting the near and long term needs of the Town's Police Department, it will require public acceptance of moving the Police Headquarters out of downtown. Chief Fitzgerald and I plan to address the operational pro's and con's of this alternative in great detail when we participate in the upcoming public meetings regarding this project.

Alternative A at the Municipal Center is similar to the 2013 plans, but with a reduction in the size of the west-side addition and a slight reduction in the overall square footage of the project. Projected net savings of this alternative are approximately \$750,000 compared to the 2013 plans.

Alternative B at the Municipal Center is a smaller footprint than the 2013 plans, requires a more substantial re-working of the interior spaces than Alternative A, and provides a slight reduction in the overall square footage of the project. Projected net savings of this alternative are approximately \$550,000 compared to the 2013 plans.

## **OPTION AGREEMENT**

Town pays \$20,000 to secure the property until March 31, 2016.

*This is sufficient time to hold extensive public meetings, allow for final Selectboard consideration and action, and warn and hold a Special Town Meeting.*

Town pays an additional \$10,000 to secure the property from March 31 to June 30, 2016.

*This should be sufficient time to consummate the purchase, if approved by Town Meeting.*

Town pays an additional \$10,000 to secure the property from July 1 to September 30, 2016.  
*This is a buffer. This additional cost will be incurred only if extra time is needed due to a petition for Town Meeting's action to be re-voted in a Townwide referendum or if any unforeseen events require that the transaction closing must occur after June 30, 2016.*

If the Town proceeds at any time to exercise the option and purchase the property, the purchase price is \$720,000 & 50% of all option payments apply to the purchase price.  
*This makes the total purchase price either \$735,000 or \$740,000, depending upon whether or not the third option period is required.*

### **SUMMARY OF PROJECT ALTERNATIVES**

- There are several viable alternatives for upgrading the Town's Police Department and Fire Department facilities to modern standards.
- The North End Alternative is the least expensive option and it would meet the immediate and long term needs of the Police Department, providing what the Police-Fire Facilities Building Committee referred to as a "Two Generation Improvement" to these facilities.
- If the community decides that the Police Department should not move out of downtown, then either of the other two new alternatives would provide substantial cost savings compared with the 2013 plans. However, either of these alternatives would reduce the forward looking impact of this project. They would meet all immediate needs satisfactorily, but would provide no space for future growth. This is a "One Generation Improvement" plan.
- If none of the full-scale project alternatives are approved, the Town will need to spend several million dollars to make these facilities safe and functional, without fully meeting even the documented current needs of these departments. A more precise cost estimate for this last resort alternative is being prepared for review during the upcoming public meetings.

### **PROPOSED SCHEDULE FOR MOVING FORWARD**

NOVEMBER/DECEMBER 2015: Series of Public Meetings to Restate Need,  
Describe Alternatives, and Receive Public Comment

JANUARY 2016: Selectboard Action re: Proposed Project

FEBRUARY 2016: Special Town Meeting Authorization of Project and Bond Financing

SPRING 2016: Apply to Vermont Bond Bank for Participation in 2016 Series Bonds

SPRING/SUMMER 2016: Finalize Construction Plans (all alternatives) and Purchase Property  
(if North End Alternative is chosen) Using Already Borrowed Funds

SUMMER/FALL 2016: Begin Construction (using bond proceeds or bond anticipation notes)

PBE:

Attachments

- c: Michael Fitzgerald, Police Chief  
Michael Bucossi, Fire Chief  
Russell Rice, Town Assessor  
John O'Connor, Finance Director  
Patrick Moreland, Assistant Town Manager

## North End Alternative - August 2015

### Police Station

Purchase Building for Police	\$	740,000
Renovate (14,700sf @ \$150)	\$	2,205,000
Addition (960 sf @ \$300)	\$	288,000
Sitework and Parking	\$	100,000
Downtown Sub Station	\$	25,000
Architect Fees for Design	\$	132,300
Architect Fees for Bidding and Construction Administration	\$	60,900
Owner's Project Manager	\$	30,000
Dispatch Equipment	\$	100,000
Furniture and Equipment	\$	80,000
Contingency at 10% of above	\$	376,120
<b>Total Police</b>	<b>\$</b>	<b>4,137,320</b>

### Central Fire Station

Central Station Construction- No Third Floor	\$	4,580,000
Construction Escalation since last estimate to 2016 start @6%	\$	274,800
North Wall First Floor Addition 679 sf. @\$200	\$	135,800
North Wall Second Floor Mezzanine	\$	135,800
Waterproof Existing Basement	\$	100,000
Architect Fees to Complete Design	\$	150,000
Architect Fees for Bidding and Construction Administration	\$	100,000
Owner's Project Manager	\$	55,000
Furniture and Equipment	\$	94,500
Contingency at 10% of above	\$	562,590
<b>Total Central Fire</b>	<b>\$</b>	<b>6,188,490</b>

### Potential Alternate Bid Item

Provide Sufficient Structure for Future Third Floor	\$	175,000.00
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### Station #2 Present Plan

Station #2 Construction-Present Plan	\$	1,200,000
Construction Escalation since last estimate to 2016 start @6%	\$	72,000
Architect Fees to Complete Design	\$	13,000
Architect Fees for Bidding and Construction Administration	\$	27,300
Owner's Project Manager	\$	20,000
Furniture and Equipment	\$	12,000
Contingency at 10% of above	\$	134,430
<b>Total Station #2</b>	<b>\$</b>	<b>1,478,730</b>

### Bond Expenses Incurred To Date

\$ 955,327

<b>Grand Total All Project</b>	<b>\$</b>	<b>12,759,867</b>
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This Scenario Cannot Use Prior Bond Authorization

FY16 Property Tax on 62 Black Mountain Road = \$19,810

Estimated Rent for 2,000 square feet at 62 Black Mountain Road = \$20,000 per year

Prepared: 10/5/15

**Police Option A- August 2015****Police Station**

Renovate Basement 4150sf @ \$150	\$	622,500
Renovate First and Second Floors @ 3976sf \$150	\$	596,400
Planning Renovations 1988sf @ \$75	\$	149,100
Stairwells to Code	\$	250,000
Addition Areas 8085sf @ \$285	\$	2,304,225
Site Work	\$	265,000
Architect Fees for Design	\$	156,500
Architect Fees for Bidding and Construction Administration	\$	84,000
Owner's Project Manager	\$	40,000
Dispatch Equipment	\$	100,000
Furniture and Equipment	\$	80,000
Contingency at 10% of above	\$	464,773
<b>Total Police</b>	<b>\$</b>	<b>5,112,498</b>

**Central Fire Station**

Central Station Construction- No Third Floor	\$	4,580,000
Construction Escalation since last estimate to 2016 start @6%	\$	274,800
North Wall First Floor Addition 679 sf. @\$200	\$	135,800
North Wall Second Floor Mezzanine	\$	135,800
Waterproof Existing Basement	\$	100,000
Architect Fees to Complete Design	\$	150,000
Architect Fees for Bidding and Construction Administration	\$	100,000
Owner's Project Manager	\$	55,000
Furniture and Equipment	\$	94,500
Contingency at 10% of above	\$	562,590
<b>Total Central Fire</b>	<b>\$</b>	<b>6,188,490</b>

**Potential Alternate Bid Item**

Provide Sufficient Structure for Future Third Floor	\$	175,000
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**Station #2 Construction-Present Plan**

Construction Escalation since last estimate to 2016 start @6%	\$	72,000
Architect Fees to Complete Design	\$	13,000
Architect Fees for Bidding and Construction Administration	\$	27,300
Owner's Project Manager	\$	20,000
Furniture and Equipment	\$	12,000
Contingency at 10% of above	\$	134,430
<b>Total Station #2</b>	<b>\$</b>	<b>1,478,730</b>

**Bond Expenses Incurred To Date**

\$ 955,327

**Grand Total All Project \$ 13,735,045**

Option Saves \$400,000 on Municipal Center Life Safety Improvements

No Extra Seismic Framing Included in Cost Estimate Above

Prepared: 10/5/15

## **Police Option B- August 2015**

### **Police Station**

Renovate Basement 4150sf @ \$150	\$	622,500
Renovate First and Second Floors @ 3976sf \$150	\$	596,400
Planning Renovations 1988sf @ \$75	\$	149,100
Stairwells to Code	\$	250,000
Addition Areas 8310sf @ \$285	\$	2,368,350
Site Work	\$	265,000
Architect Fees for Design	\$	255,081
Architect Fees for Bidding and Construction Administration	\$	84,000
Owner's Project Manager	\$	40,000
Dispatch Equipment	\$	100,000
Furniture and Equipment	\$	80,000
Contingency at 10% of above	\$	481,043
<b>Total Police</b>	<b>\$</b>	<b>5,291,474</b>

### **Central Fire Station**

Central Station Construction- No Third Floor	\$	4,580,000
Construction Escalation since last estimate to 2016 start @6%	\$	274,800
North Wall First Floor Addition 679 sf. @\$200	\$	135,800
North Wall Second Floor Mezzanine	\$	135,800
Waterproof Existing Basement	\$	100,000
Architect Fees to Complete Design	\$	150,000
Architect Fees for Bidding and Construction Administration	\$	100,000
Owner's Project Manager	\$	55,000
Furniture and Equipment	\$	94,500
Contingency at 10% of above	\$	562,590
<b>Total Central Fire</b>	<b>\$</b>	<b>6,188,490</b>

### **Potential Alternate Bit Item**

Provide Sufficient Structure for Future Third Floor	\$	175,000
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### **Station #2 Present Plan**

Station #2 Construction-Present Plan	\$	1,200,000
Construction Escalation since last estimate to 2016 start @6%	\$	72,000
Architect Fees to Complete Design	\$	13,000
Architect Fees for Bidding and Construction Administration	\$	27,300
Owner's Project Manager	\$	20,000
Furniture and Equipment	\$	12,000
Contingency at 10% of above	\$	134,430
<b>Total Station #2</b>	<b>\$</b>	<b>1,478,730</b>

### **Bond Expenses Incurred To Date**

\$ 955,327

**Grand Total All Project \$ 13,914,021**

Option Saves \$400,000 on Municipal Center Life Safety Improvements

No Seismic Framing Included in Cost Estimate Above

Prepared: 10/5/15

## 2013 Scenario for Police and Fire Stations With Inflation

<u>Police Station</u>	<u>2013</u>	<u>Aug-15</u>
Police Station Construction	\$ 4,752,180	\$ 4,752,180
Construction Escalation since last estimate to 2016 start @ 6%	\$ -	\$ 285,131
Architect Fees to Complete Design and Construction Administration	\$ 138,000	\$ 166,100
Owner's Project Manager	\$ 45,000	\$ 45,000
Furniture and Equipment	\$ 80,000	\$ 80,000
Contingency @ 10% above	\$ 496,718	\$ 528,341
<b>Total Police</b>	<b>\$ 5,511,898</b>	<b>\$ 5,856,752</b>

<u>Central Fire Station</u>		
Central Station Construction	\$ 5,500,000	\$ 5,500,000
Construction Escalation since last estimate to 2016 start@ 6%	\$ -	\$ 330,000
Architect Fees to Complete Design and for Construction Administration	\$ 120,000	\$ 148,800
Owner's Project Manager	\$ 55,000	\$ 55,000
Furniture and Equipment	\$ 94,500	\$ 94,500
Contingency @ 10% above	\$ 574,330	\$ 607,330
<b>Total Central Fire</b>	<b>\$ 6,343,830</b>	<b>\$ 6,735,630</b>

<u>Station #2</u>		
Station #2 Construction	\$ 1,200,000	\$ 1,200,000
Construction Escalation since last estimate to 2016 start@ 6%	\$ -	\$ 72,000
Architect Fees to Complete Design and for Construction Administration	\$ 27,000	\$ 40,300
Owner's Project Manager	\$ 20,000	\$ 20,000
Furniture and Equipment	\$ 12,000	\$ 12,000
Contingency @ 10% above	\$ 123,700	\$ 132,000
<b>Total Station #2</b>	<b>\$ 1,382,700</b>	<b>\$ 1,476,300</b>

<b>Bond Expenses Incurred To Date</b>	<b>\$ 955,327</b>	<b>\$ 955,327</b>
<b>Grand Total All Project</b>	<b>\$ 14,193,755</b>	<b>\$ 15,024,009</b>

Original 2012 Bond Authorization = \$14,130,000

Total Unspent Bond Authority = \$13,174,673

Bond Funds Drawn To Date = \$5,000,000

Bond Funds "On Hand" for Future Project Expenses = \$4,044,673

Prepared: 10/5/15