Committee for the Future of the Thompson Community Center

Report on Research Regarding Options for the TCC: Presented to the Town of Union Select Board on 3/29/2022

Committee for the Future of the Thompson Community Center - 3/29/22 Report

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TO: Town of Union Select Board
FROM: Committee for the Future of the Thompson Community Center
RE: Summary of Research regarding Options for the TCC
DATE: 4.6.22

I. Option 1: Retain and Renovate the Buildings

August 25, 2021 Report: 1. Town maintains ownership and oversees the building through a hired position. Engages with engineering company/contractor to determine how to rehabilitate the buildings, obtain financing, and locate tenants. Since the August report, the Committee has also considered the possibility that operations could be managed by a separate entity although the Town would maintain responsibility for building maintenance and repairs

The Costs are:

- Tier 1 repairs are to address immediate needs for continued operation of current use. Costs for Tier 1 repairs are estimated to be $285,500 to $465,500.
- Tier 2 repairs are to allow for the full use of all spaces. Costs for Tier 2 repairs are estimated to be $490,000 to $852,000.
- Tier 3 repairs are to address structural deficiencies as full potential usage is reached. Costs for Tier 3 costs are estimated to be $115,000.
- Total renovation (all Tier 1, Tier 2, and Tier 3 costs) estimates range from $890,500 to $2,000,460.

The potential annual rental income from the building if the classrooms in the yellow building were fully leased and the community spaces were rented is approximately $100,000 to $165,000 at present but could grow significantly as repairs are completed. The cost to maintain and run the building annually is roughly estimated to be $168,900 to $196,900 (including heat, furnace, electric, septic, maintenance, operations director, janitorial staff). A variety of grants may be available to offset the costs of repairs.

II. Option 2: Senior Housing Lease/Sale

August 25, 2021 Report: 2. Long term lease or sale to entity that would create senior housing.

- Under this arrangement, the Town could potentially retain ownership of the building although all maintenance and upkeep would be done by the tenant if it were a lease arrangement. Retention of the gym, museum, and thrift store spaces could be negotiated.
- The cost to the Town of either a lease or sale to a senior housing developer would be $0 although the Town may have to retain insurance if it is a lease.
- The annual income to the Town would be $15,000 to $20,000 in the case of a lease, depending on the number of units. In the case of a sale, the sale price is anticipated to be slightly under market value.

Before the public hearing, the Committee will obtain architectural design of the buildings as to the possibilities under this option.

III. Option 3: Sell the Buildings to a Rehabilitation Specialist/Renovation Group

August 25, 2021 Report: 3. Town sells buildings to rehab specialist/renovation group to create community and mixed-use spaces.

- Sale to a rehabilitation specialist would involve sale of the building to a developer with covenants to retain historical aspects and restrictions. The anticipated sale price of the building is estimated to be between $100,000 to $200,000 but this figure requires additional research.
- This option would require further clarification of what could be sold and what would need to be retained by the Town (for example, the parking lots and land near the tennis and basketball courts).
- The Town currently lists the tax valuation for the property at $5.75 million.

IV. Option 4: Demolition Both Buildings/Demolish Yellow Building and Repair Brick Building

This was not presented as one of the Committee's options in its August 25, 2021, report. The Select Board requested that the Committee include this option in the research.

- Three estimates to demolish both buildings, not including miscellaneous permits and other expenses, ranged from $201,040 to $498,000.
- An estimate to demolish the yellow building only was between $135,000 to $270,000. The accompanying cost to address the urgent/immediate needs to maintain the brick building that were able to be established is approximately $1,059,000. These estimates do not include unknown additional costs associated with construction/repair of the connection between the two buildings, and unknown costs associated with the necessary re-routing of utilities that currently run between the two buildings.

It is noted that the 2018 Capital Needs Assessment Report estimated the cost of building a new brick building at 15,493 square feet and $300 per square foot to be $4,647,900.

V. Option 5: Sale on the Open Market

Since the August report, the Committee has also incorporated sale on the open market to this option.

- One broker, who conducted an extensive review (including comparable properties), estimated the value of the property in its current state to be $595,000 to $695,000 while another broker, who conducted a less extensive review, concluded the property was worth $150,000, with the land alone worth $50,000 or $60,000.
- This option would require further clarification of what could be sold and what would need to be retained by the Town (for example, the parking lots and land near the tennis and basketball courts).
- The Town currently lists the tax valuation for the property at $5.75 million.

I. Option 1: Keep It

Section A: NEEDS assessments

*****Please take note, all amounts listed are initial estimates based on limited inspection, historical data (previous estimates), and urgent work done since the TCCA lease was vacated, as of Dec 31, 2021.*****

- Estimates have been organized by need with respect to operation of the building - from minimal use to full revenue-generating potential. All items are subject to inspections, insurance requirements, and any official permitting processes, *i.e.* Fire Marshal.

Tier 1: Immediate needs for continued operation (basic use - Thrift shop, limited occupancy rentals, limited programs with attendance of small groups only, open gym).

Item/system	Cost Range	Notes:
Roof	$200K-$380K	Two firm quotes (with varying options). It should be noted the urgent leaks have been repaired under TMA operation/town expenditure.Core samples were taken during leak repairs.
Fire Alarm/External Alarm	$32,000	Internal sprinklers fully functioning but not connected to Fire Department. Fire will trigger sprinklers, but no inside alarm to alert occupants in other areas of the building.
Emergency Exit Routes Will be done by TMA before the May public hearing.	($4,000)	Some existing signs, but not lit. Not all exits are signed/lighted.
Engineering Study	$5,000	Needed to assess structural integrity for usage and permits. Will determine urgency of timing of repairs for usage.
Replace gutters - back gym	$5,000	Leaking water into stairwell - mold, rot or safety issues are primary concern..
Inspect existing system and leach field. Cost includes pumping and assessments.	$5,000	Needs to be done before use by groups or events. Alternatives to be looked into, including holding tanks and sequential pumping over time, as needed following large events. Worth investigation.
Repair Steam Radiators	$10,000	Needed while remaining on the existing steam system.
Repair Condensate Line Under Gym	$6,000	Needed while remaining on the existing system.
Repair Yel Bldg Entryways	$15,000	
Reset Front Entry Steps	$7,500	

Total for Tier 1: $285,500 to $465,500

Tier 2: Need to be addressed for full use of spaces, large groups, full rentals. **Some items listed here may be shifted to Tier 1 immediate needs as inspections continue. Some items may be delayed if repairs are not immediately necessary for full rental/use potential - TBD.**

Heating: Replacement or Upgrade	$290,000-$350,000	Estimates based on Boiler replacement. * Note: Replacement cost would be offset (TBD) by annual fuel cost savings, potentially 20-30% savings. Study could to be done to assess long-term cost/benefit, and alternative (gas) system.†
*Note: Boiler Replacement - may be considered Tier 1 due to ordering time frame for receiving equipment. Changing to two boilers to replace existing system = 4 to 6 week order time. To replace with in-kind system = 44 to 46 months lead-time needed to acquire the boiler.		
† Switching to gas: Additional $30,000 - $40,000 up-front cost. Maintenance and cost savings estimated up to 30% additional savings.		
Note: 2018 CNA Report: Could be replaced with a smaller boiler. Current boiler is "much larger than required". Estimate then approx. $125,000		
Replace Septic	$109K - $189K	Usage/event size allowed will dictate timeline. 2 estimates with varying options given. (Pending septic inspection and alternative design consideration.)
Replace rotted window sills Brick Bldg	$15,000	Water running between block and brick. Structural damage likely if not fixed.
Brace south wall Brick Bldg	$36,000	Pending engineering study and comparing to the 2018 Capital Needs Report.
Reinforce Gym Floor	$25,000	Based on 2018 Report, pending engineering report.
Alternatively, if above repairs are not sufficient:		
Replace Brick/Block - Wall of south side of Brick building (Worst case scenario)	$283,000	Estimate received. Noted that a structural engineering study needed to determine urgency/necessity. The 2018 CNA report noted these deviations may have been present at the time of construction. A follow up study would show any progression.
Bathroom Additions/Upgrade	$15,000	Possible to divide room by entryway again (#33) and turn into restrooms, accessed from the lobby. ADA compliance addressed.

Total Tier 2: $490,000 - $852,000

Tier 3: Structural deficiencies needing to be addressed as full potential usage is reached.
(May be Tier 1 or 2, pending structural studies, or specific requirements for permits for max use.)

Commercial Kitchen/Upgrade	Up to $25,000	Includes Fire Suppression Hood to enable full use of grills, fryer, stovetop cooking. (Currently only baking or limited use simple heating.) Commercial kitchen could be available for rent.
Bathroom Additions/Upgrade	$15,000	Possible to divide the room adjacent to the lobby again, and turn into restrooms.
Repair Lift (Yel Bldg)	TBD - maybe $0	
Other ADA requirements?	TBD	
Fix/Replace Windows Trims	$75,000	Potential grant item - look into energy efficiency.
Gym Floor covering for markets/other.		Potential grant item to reduce wear and tear on gym floor.
Internet Connectivity		Grant potential for installation. WiFi connection can be sold per tenant.

Total Tier 3: $115,000

Additional considerations - Condensed from 2018 Capital Needs Assessment Report

NOTE: Dollar amounts listed are the 2018 values. Renovation time frame was spread over a 20-year time period, with the bulk spread over the first 4 years. See the report for full details.

Item and page location in TCC CNA Report	2018 Estimate	
ADA upgrades to entries *(p.6)*	-	Listed as adequate due to historical nature of the building. Slight modifications considered. ADA compliance to Brick building rooms/doors TBD. Noted as inadequate, pending usage.
Site lighting, parking, sidewalks, landscaping. *(p.8-9, 35)* *Schedule on p.44-48)* Catch basin Dumpsters Landscaping Parking Asphalt Parking Gravel Asphalt Roadways Asphalt Roadways Gravel Site Lighting Building Exterior Lighting	 $7,000 $7,000 $1,200 $17,400 $2,250 $2,610 $26,100 $4,250 $6,000 $3,000	To be looked at with safety in mind under intended usage. Some items updated since 2018 CNA, such as tree removal, driveway patch. Trash removal was added to Operating cost projections above. Dumpsters listed in 2018 are for renovation/remodel. $76,810
North side of Brick/gym, additional note on slight bowing. *(p.14, p.21, 69-70)*	-	Remediation - possibly done through bracing.
Gym floor *(p.21, 49-60)*	-	Need to assess, based on usage. Adequate for the 2018 usage. Need to assess based on usage/load.
Electric wiring *(p.27, 34, schedule p.44-47)* Power upgrade recommended Lighting Upgrades recommended Interior lighting needed	$15,000 $60,000 $30,000 $3,500	Assessed as adequate for 2018 use, but recommend upgrade to single 600amp/3phase service when upgrading/renovating. $108,500
Aging Oil Tank(s) Replacement *(p.29)*	$2,500	Should be inspected.
HVAC - Ventilation considerations *(p.32)* Yellow, Downstairs Yellow, Upstairs - Energy recovery system Brick Upstairs - Coordinated to future use. Yellow bathroom ventilation Air conditioning listed as to consider.	 $15,000 $40,000 $50,000 $2,000 Total $107,000	(Heating system, kitchen exhaust/fire suppression hood assessed, listed in Tiers 1,2) Assessment for air quality needed based on occupancy and use. $107,000
Air conditioning with air handlers. *(p.33)*	+$30/sqft additional	
Other Architectural Recommendations *(p.44)* Canopies, wood, Brick bldg. Brick, common area doors Yellow, common area doors Brick common area floors Common area walls Exterior doors, both bdlgs Yellow exterior walls, siding Yellow, Fire escapes	 $5,000 $12,000 $73,200*(2036-38) $33,750 $12,000 $7,200 $9.500 $3,000	Some of these items have been addressed, *i.e.* Fire doors between sections in common areas of Yellow Building. $225,308
Environmental: *(p.37)* Lead paint. None inside. Outside, yes *(p.63)* Asbestos - 2018 some in heating. *(p.64-70)* Mold. Detected. *(p.71-91)* Water test - 2018 good. *(p.92-95))* (Septic Assessed above)	-	Some mold remediation was taken care of since report. New assessments needed after site drainage and roof attended to.
Miscellaneous	$117,000	No itemized list (?)
Maximum total, additional	$567,960	

Total Cost Estimates of Tier 1, 2, 3, and Additional Considerations from 2018 CNA Report.
Range Tier 1: $285,500 to $465,500
Range Tier 2: $490,000 to $852,000
Range Tier 3: $ 115,000

Total renovation cost range of recently (2022) assessed systems: $890,500 to $1,432,500
Additional needs indicated in the 2018 report (not yet assessed in 2022): $567,960

Grand Total Range: $890,500 to $2,000,460

2018 Information for Comparison

Executive Summary, 2018 Capital Needs Assessment Report (*See p.47 of CNA report for full 20-year schedule):*		
Site	$74,110	
Architecture	$446,458	
Mechanical and Electric	$873,250	
————————————————————————	Non-inflated	Inflated
Immediate Capital Needs (2018)	$156,800	
Total Needs Over Term	$1,237,018	$1,375,616
Grand Total Capital Needs	$1,393,818	$1,532,416

The Siemens Report (2018) estimated:
Basic Needs for renovation: $1,500,000 - Full Recommended Project: $3,000,000.

Option 1, Section B: INCOME Potential:

Note: Current tenants and groups have expressed interest in continuing: Inquiries from MRC, Lincoln Street Center, RSU 40 Emergency Classroom space or Adult Ed.

Could increase potential occupancy (such as for artists) by dividing rooms. Rents can be adjusted and will grow as operations reach full potential, based on location, amenities in rooms, and other considerations.

Anticipated Room Rental - Income Potential Yellow Building

Location: Yellow Bldg	Size (Ft)	SqFt $	Annual/Rm	Monthly	Total Annual
Yllw Upstair (x4) #12, 13, 14, 15	24x30= 720	$10	$7,200	$600	x4 rooms = $28,800
Yllw Upstairs, End (x2) #16, 17	22x30= 660	$10	$6,600	$550	x2 rooms = $13,200
Yllw Upstairs, End #11	25x41= 1025	$10	$10,250	$854	x1 room = $10,250
Yllw Upstairs, End #10	25x21= 525	$10	$5250	$437	x1 room = $5,250
Yllw Downstairs, #1, 2, 3, (Currently Thrift Shop)			$2,400	$200	x3 rooms = $7,200
Yllw Downstairs #4, 5, 6, 7	24x30= 720	$10	$7,200	$600	x4 rooms = $28,800
Yllw Downstairs, End #9	15x22= 330	$10	$3,300	$275	x1 room = $3,300
Yllw Down, #8 on maps, next to restrooms, no number posted.			Recommended for museum relocation.		
					Total (Yllw Bldg) $96,800

Income Potential for Monthly Room Rentals Brick Building

Location: Brick Bldg	Size (Ft)	SqFt $	Annual/Rm	Monthly	Total Annual
Brick Downstairs #33** (Alternatively can be used for events/community room)	24x30= 720	$10	$7,200		$7,200
Brick Upstairs #40	18x31= 558	$10	$5,580	$465	$5,580
Brick Upstairs #41	24x54	$10	$12,960	$1,080	$12,960
Brick Basement	2400 sqft	$15	$36,000	$3,000	$36,000 Based on full size. Can be restructured.
					Total (Brick) $36,780

Estimated annual income potential from (monthly) room rentals: $133,580

Event or Other Rentals - Brick Building

Location	Rental price	Estimated usage	**Notes:**
Brick #33 For Community Rm.	$25 per hour 2 hour minimum	$2,500 per year	
Split #33 and #30	Per hour room rental or monthly rented room.	Addtl. $1,000 per year	Replace the wall that previously divided this space.
#31 potential extra Restrooms			
Thrift Shop, Currently Rms #1, 2, 3	Sales ave. $2,000/mo.	$24,000/year	Based on monthly sales average, conservative estimate. Potential to grow.
Kitchen usage	$50 per day with gym rentals.		Based on event usage
Kitchen usage - Commercial kitchen	$35 per hour		Survey to assess commercial kitchen potential in community. Sliding scale possible, dependent on gas usage, etc. TBD
Gym space for family/community events.	$600 for Friday noon to Sunday noon	Estimate 4 per year = $2,400 With Kitchen +$50 = $2,600	Group size influences price (changes demands on water/septic)
Gym Space rent for sports/clinics, etc	$2,000/mo	$24,000/year	
Retirement Parties	$200 per day	Estimated 2 per year = $400 With kitchen =$50 = $500	
Dances	$200 per Dance	Estimated 10 per year = $2,000	Food sales could be added to increase income.
Craft Fair	50 spaces at $40/space	$2,000	Does not include food/kitchen. Does not include entry fee. Potential to grow significantly.
Art Show	50 spaces at $40/space	$2,000	Does not include food/kitchen. Does not include entry fee. Potential to grow significantly.
Flea Market	70 tables at $15/table	Seven markets/year =$7,350	Does not include food or kitchen use. Potential to include.
Additional Food and Alcohol sales could be considered.	Variable, with good potential.		Liquor liability insurance and licensing costs offset by the income potential.

Estimated annual income potential - event rentals and Thrift Shops sales:
Combined rentals and events annual income: Initially, $100,000 to $165,000 with potential to grow.

Option 1, Section C: Annual operating costs

Heat (oil)	$40-50,000	*Note, New boiler with better efficiency should reduce cost.
Furnace Cleaning	$3,600	Includes boiler and gym heat elements.
Electric	$500/mo currently	Estimated $2,500+/mo with full occupancy.
Insurance	$3,000 per qutr	
Septic	$2,000	Pumping.
Winter snow/ice removal	$1,000	Estimated on past couple winters.
Janitorial/Maintenance	$40,000/yr	Full coverage for opening hours, plus janitorial and maintenance people as needed. TBD
Supplies general maintenance	$15,000	Paper supplies. Sanitary items. Floor surfaces. Cleaning supplies. Salt/sand. Trash removal.
Oper. Director/Management	$30-35,000/yr	Part time 30 hour week
Staff	$15-25,000/yr	Staff for set up and take down of events. Available for front desk, evenings, part time, day time. Needs outline, TBD.
Sprinkler system inspection and maintenance	$75/quarter	
Administrative: Phone/WiFi/ Office equipment, services	$4,000 - $6,000	
Permits, inspections	TBD	

Additional notes, comments, on operating costs TBD. The above costs range from $168,900 to $196,900.

Option 1, Section D: GRANT Potential

The following information outlines available grant opportunities for which the TCC would potentially qualify. This could offset the costs of the building's repairs to the taxpayers. Each grant has a date that it becomes available, a date that the award decision is made, and a date that funds are dispersed. The timeline for a grant cycle is typically around one year, but differs for each grant.

Many of the grants listed include funding for planning as well as executing repairs on old buildings, with the final goal of the building specifically being used as a community center. A challenge that the Option 1 subcommittee has encountered in creating both estimates and defining alternative options to fund the repairs surrounds the upfront cost of obtaining accurate, updated reports for each area of need. Therefore grants that include both research and implementation are preferable. The grants listed here do not have a maximum award limit. This means that there is potential for the entirety of this project to be funded by grant awards, if the project was awarded these available funds.

Grant Type	**Grantor**	**Max Amount**	**Notes**
Building / Community Center	USDA Community Facilities Grant Program	No maximum	25% Match
Building / Community Center	Maine Community Foundation	$10,000	Must be 501(c)3 or municipality
Building / Energy Efficiency	Maine Community Foundation	$20,000	Toward energy efficiency – must be registered historic
	John T. Gorman Foundation		Must be invited to apply
Historic Educational Buildings	National Endowment for the Humanities	$6,000-$1,000,000	Using estimate of $50,000
Historic Building	Cynthia Woods Mitchell Fund for Historic Interiors	$2,000-$10,000	Must be registered National Historic Landmark
Facilities & management (building)	National Trust for Historic Preservation	No maximum	No max but must match 1:1
Building / Historic Educational Building	Lowes Foundation	$50,000	
Historic Building	Historic Preservation Fund - Maine Historic Preservation Commission	$24,995	Requires matching funds & historic registry
Historic Building	Save America's Treasures	No maximum	Requires matching funds & historic registry

Building / Infrastructure	NEH - Infrastructure and Capacity Building Challenge Grants	$750,000	
Building / Humanities programming	NEH – Public Projects	Planning: $75,000 Implementation: $400,000 with opportunity for additional $100,000	
Building / Community Center	Ford Family Foundation	$150,000 - $250,000	Funds cannot exceed 1/3 project's total budget

Option 1, Section E: Pros

Pros from August 25, 2021 CFTCC Report:

- *Accountability from Town in regards to how building will be maintained, business strategy, etc.*
- *Potentially "best of both worlds"... ability for town to maintain voice in future of building, while partnering with experts*
- *Lot of possibilities ● Would allow for mixed use and variety of constituents using the property*
- *Town maintains full ownership and control and determines who tenants are (doesn't exclude any type of tenant)*
- *Rehab projects can be chosen in a manner that gives the most bang for the buck (such as a good face lift would go long ways to filling empty spaces)*
- *Aggressive marketing by a Board could be tied to rental increases as building is improved*
- *Siemens has knowledge, expertise, and willingness to follow through and make it a very real possibility*
- *Siemens could act as general contractor. They have far reach and sound track record. Can bring in best subcontractors at the best price and guarantee the work. They also have contacts with financial institutions that the town does not.*
- *Should result in income to Town once up and running*

Additional Pros:

Positive Notes from 2018 CNA:

Yellow building - *"In general, the structural systems of the 1923 building appear to be in very good condition. The steel frames appear to be in great condition with no rust or deformation observed. The wood framing and roof and ceiling joists observed in the attic space are of excellent quality wood and would be categorized as select structural (the strongest designation)."* 2018 TCC CNA Report

Option 1, Section F: Cons

1. *Cons from CFTCC August 25, 2021 Report:*
   - *Strong oversight from Town required*
   - *Could require a board of directors with no voting rights to oversee the process*
   - *Would require a building director hired by the Town who had knowledge of the complexity of a multi-use facility*
   - *Requires termination of current lease with total Town oversight throughout the rehab process and beyond*
   - *Town retains financial responsibility; requires financing*

   Note: Siemens provided a Preliminary Evaluation which is attached to this report.

   Additional Cons

Option 1, Section G: QUESTIONS:

1. Questions
   - If the Town borrows this money, what would that do to our credit rating?
   - Would that put the Town in a difficult place if they had to borrow money for different project?
   - What would the tax increase to tax payers be if the town borrowed the funds?
   - Possibility of borrowing through contractor/manager, (see Siemens report)?
   - When would a contractor be able to begin and what would status of existing operation be in the meantime?
   - What is the time-frame it would take the Town to secure a loan?
   - Would a performance bond be required?
   - If this option prevails in June, will it require a separate warrant article to approve funding?

Additional questions/Comments for Select Board to consider:

- If Option 1 prevails, how is the process going to be structured going forward? *I.e.,* Will there be an advisory committee for renovation? Fundraising? Linked to grant search? Who would be responsible?
- How (and when) would the determination be made regarding the management structure, oversight, and the possibility of a non-profit being involved in the new management structure?

  The possibility of a new non-profit continuing in some form was added to the CFTCC task list to be included in the Option 1 group. That possibility of a non-profit continuing has both enthused some citizens in town who wish to retain the character of the community group, and has raised concerns from other individuals who want to be assured the same problems do not arise as did the last few years, landing the town in the current situation.
- Will warrant articles be worded to identify/describe the management structure? Information to this end could likely influence voters' decision making.
- How will the public receive the information? (The question was raised when considering warrant article ranges… *i.e.* Specific to Option 1 - how will the public get info on the revenue potential, grant potential, etc, if only the maximum potential cost is listed on the warrant?
- Additional developers (for the other options) have been queried within the scope of the committee work who also could be considered for Option 1. (Notably, Senior Housing inquiries lead to potential developers who could also be considered for Option 1 as well. (See Option 2 table, Developer B). Through meetings and site visits with a developer regarding Option 2, interest was expressed in bidding on an Option 1 configuration as well as Option 2, with particular attention to Historical Renovation, making a multi-use center, including retaining a portion as a Town Community Center along with Senior Housing.

- Note that there is considerable crossover between Options with regard to who and how they are developed. Certain considerations could lead to a project that satisfies preferences would make the development more appealing to a wider range of people in town, leading to a "Win-Win" scenario.

II. Option 2: Senior Housing w/Community Center - Lease/Sale

Section A: Synopsis

There has been interest in the town to restore the TCC building and maintain the historical nature of the School. One method to achieve this goal while keeping costs to the town at a minimum is through a developer with a vested interest in the operation of the building. Development opportunities exist with the specific intent of meeting the needs of certain demographics. The need for Housing for older adults has been identified as a specific need. As inflation grows, this will become more of a concern for those living on a fixed income, as is common in rural areas. Therefore the town has been researching the possibilities of finding a way of restoring the old building, removing the financial burden of the TCC from the town, and developing opportunities for affordable, safe and efficient housing options for people 55+ years of age as an option for the TCC.

A previous plan for such development was presented to the town in 2018. However, it failed at the polls. Since that time, as the quest continues for solutions to the growing TCC maintenance and operation problems, a sub-committee of the CFTCC was tasked with re-examining the potential for a Senior Housing Development to present to the town. This group has expanded on the initial work, previously presented.

The current subcommittee, with the goal of addressing the community concerns raised previously as well as through conversation with the groups currently most-active in the TCC, has broadened the examination looking for compromises or alternative plans. The result has yielded interesting prospects.

Option 2, Section B: Pros

August 25, 2021 Report:

- *Possible that a community center could remain in the building in such a situation*
- *If lease, Town retains ownership of the building and will get it back at some point*
- *All maintenance and upkeep will be done by lessee or buyer*
- *Although no property taxes paid, could require annual donation to the town*
- *Retention of the gym as community center could be negotiated*
- *Museum and thrift store maintenance of space could be negotiated*
- *Creation of positive community living experience for elders*
- *Integration of elder housing and community use space in brick building*

Additional Pros from subcommittee work

- With due diligence finding the right fit, the right developer could work with the town to have a project offering something for everyone, including shared space, or retention of spaces for a community center.

Option 2, Section C: Cons

August 25, 2021 Report:

- *This failed a town vote in the past*
- *If sale, little or no control from town.*
- *May not benefit elderly of Union (although due to way the housing application process is done without advertising, it is likely Union residents would be first to know of openings)*

Option 2, Section D: Comparisons: Questions and Comments of Note for Discussion

Discussion points raised when re-considering a Senior Housing plan:

Responses to the inquiries - to date, two developers have been approached:			
	Developer A		Developer B
Will the housing tenancy be restricted to older adults only?			
Y	Federal funding would have to be used for this specific demographic. The town can set restrictions on a lease to ensure compliance. The age is either 55 or 62 and up.	Y	The Town can determine what their needs are. Restrictions on the lease would be needed to ensure this. Age 55 and up.
Will the developer retain the historical nature of the building?			
(Y)	This would be a negotiation point. Restrictions on the lease would be needed to ensure, if that is a must. The outside facade could maintain the character of the old school, but that is not within the scope of nor dictated by the funding through this organization.	Y	Developer is specialized in historical renovation, therefore funding would be dependent on this. Question arose if the recent renovations might hamper this. Of note were the windows in the yellow building. An Alternative is putting the window "style" back to its original design. TBD Primary funding would be dependent on Historic Renovation.
Can the town retain a portion for a community center?			
?	There are negotiations possible. There would be a cost associated. Due to the nature of federal funding, there may be only a limited amount of renovation for areas that would be solely for Community Center. The town would possibly have to do those renovations. The town can negotiate retaining the Brick building or portion thereof. They would not be able to determine this until actually in the process of going forward. Only after consulting with General Contractors and subsequent cost analyses could they give a firm idea. It was noted that they operate on a very small margin, so no guarantee they can financially support that kind of shared agreement without up front funding from the town.. The go-no go point would be early on in the process. This may require separation of heating and other utilities, again due to the federal funding requirements. A form of "condominiumizing" might be possible, particularly noted since there is a physical division between the Brick and Yellow Building, but not clear at this time. …. (Continued next page)	Y	The town can work with the developers to tailor the plan to include town wishes. The lease (or sales agreement) would contain these factors.. Negotiation would be needed as the developer does the cost/benefit analysis. One alternative noted was that the developer could possibly do all the renovations, then enter into a contract/lease agreement with the town for the Community Center portion. It was noted that the renovation of the gym as a gym would likely be necessary in order to satisfy historical renovation requirements, therefore necessarily done by the developer. TBD

	The developer would also look how much of the Brick building would be needed for units as well. QUESTION… Would there be a need/desire for a basketball court for community use? If not, the full height of the gym is not needed and a portion can then be used for apartments. This is also true of the lower level under the gym.		
Would Union Residents have priority for apartment rental?			
(N)	Fair Housing Laws state no, however, the progression seen in other places developed by this developer shows that locals tend to know first and will begin inquiring about the application process before it's put out to public application. Since applications are assessed on a first-come, first-served basis, it is more than likely locals will initially be at the top of the list.	?	This has not yet been asked of this developer, but assuming Fair Housing Laws, the answer would be the same. Meetings are coming up in the near future. We will have more answers by the public hearing.
Can there be market-value apartments in conjunction with low income?			
N	The federal/state funding used for this group would be restricted to be used for serving people at or under a certain income threshold, which would exclude people above that set level.	Y	Opportunity exists to tailor the structure to be more inclusive. More information will be coming after a follow up site visit, but initial site visits and conversations indicated yes, this is possible.
Does the developer have other developments similar in nature to what Union is looking for?			
Y/ N	Does not have mixed development for fair-market and subsidized combined. Question: to ask about existing older adult housing complexes to go for a site visit before the public hearing. They have many family housing complexes, but it is still unclear if they have specific senior housing already developed. No housing projects to date are in Knox County. The developer expressed the willingness and desire of their board to have a presence in the housing market for this demographic in Knox County.	Y	The developer has the largest resume of large historical renovations in Maine. Has been contracted by many communities to redevelop old schools into housing or community projects (recent site visit done at the Hodgkins school - Low-income Senior Housing, under the Augusta Housing Authority). The developer noted there are other completed projects combining housing and community center similar to what Union has indicated is a preference. A site visit soon is being planned with this in mind. This should also be noted with regard to both Options 1 and 3. This developer could be considered along with others, in those options.
How much expense to the town is projected?			
	Cost to the town be $0, if this developer has the full building to renovate and use as they see fit. The old cafeteria will likely be needed for apartments. The gym, brick basement and kitchen could all be up for negotiation. The town would need to pay for any renovation and repairs if retained. Will have estimates by May.		Cost to the town could be $0, if the town doesn't retain community center space. At this time, a possible agreement with the town for a community center has not been covered extensively - no cost estimates. Will have more information by Public hearing in May.

Income or revenue for the town?			
	If the town retains the community center space, revenue generating activities can continue, such as Dances, Kitchen rental, Thrift Shop. More to be added.		If the town retains the community center space, revenue generating activities can continue, such as Dances, Kitchen rental, Thrift Shop. More to be added.
Should Option 2 prevail, how soon could the project begin?			
	It would likely take a year to get through the due diligence process and initial assessment before signing a lease and committing to the project.		Not yet asked.

Option 2, Section E: Other Questions or Comments to Note for Discussion

- The possibility exists for a combined Senior Living complex and Community Center. The details of the likelihood that will come to fruition will impact how people vote. Can the Select Board tailor the warrant article to specify that a combined community center would be included in the plan? Is the Select Board willing to consider a way of giving an assurance?
    - This is asked, as a matter of compromise, but uncertainty. As a new development potential has been examined, there has been a sentiment expressed that the town could have the “Best of Both Worlds”. Indeed people who previously opposed to the Senior Living Development are intrigued by the idea of a secure plan for retaining a renewed space for the community center for all in town. However, the wording of the warrant and the clarity of the commitment to only plans with a community center are the number one reason hesitation is voiced.

- What will happen in the building in the intervening time between the June vote and Lease/Sale agreements being signed and occupancies/responsibility is turned over to new entity? What is the cost to the town during the interim?

III. Option 3: Sell It

Section A: Synopsis

Realtors and a developer have been approached for an initial estimate for ballpark figures. A wide range of estimates has been given. A number of questions have been raised. A clearer goal of what the process would be if Option 3 prevails needs to be discussed by the Select Board/Committee.

Two lines of thought on this subject are emerging:

- First is outright sale for Fair Market Value through a brokerage. There are questions regarding what covenants should be put in place, what exactly would be sold for land, easements for septic, etc., and any other restrictions to be placed on the transaction including protections against future use or resale of the property.

- Second is the sale through a Bid Process - to a developer with a specific purpose/proposal in mind.

  This is in the preliminary stage of research and as noted in the opening narrative, a wide range of estimates were given for the value:
  Preliminary value range: $150,000 on the low end, to $595,000/$695,000 on the high end.

The current Town tax valuation is listed at $575,000.

More work needs to be done by the town to determine how a sale would be structured. Several considerations should be examined for each approach before the Public Hearing in May, and the subsequent vote.

- **Brokerage Sale:** If no strong preferences for building usage are expressed, and the goal is simply to be free of encumbrances related to the town owning the property, then: What does the town **not** want in the building? (Outright sale with covenants and deed restrictions.)

- **Bid process for specific proposals:** Will the Select Board take the approach of maintaining some control over the subsequent development preferences by opening a bidding process where RFP's could be assessed for specific goals/preferences for the development? If so, studies have been done previously in town to determine community preferences and should be taken into consideration. New surveys could also be conducted.

This needs to be defined better for the Public Information and subsequent vote. Careful consideration should be given to the wording and public presentation. The specific goals and assurances from the Board can/will influence voter preferences.

Due to the short time frame since the town has had full access to the TCC again, the CFTCC has had only one developer to date able look at the property with a specific project in mind - under the premise of purchasing the property for development. A few realtors responded to the initial inquiries with one providing an analysis. Other local realtors with experience and knowledge of the area have been asked for estimates. These are still pending.

On a positive note, the one developer who has had access and the time to examine the interior layout, has expressed enthusiasm for a project. A variety of ideas have been posed. They have taken the further step to have 3D imaging done of the building to aid in their process. The projections included spaces for tenants to rent on a monthly basis, artists and makers space, common space for all tenants, and they are more than willing to work with the town to develop either shared space, or have the town retain defined community space. Further due diligence is needed on their part (including a full cost/benefit analysis), but the interest and enthusiasm is there. This is noted to highlight that there is interest in such a project for Union.
Questions still remain about the funding, timeline, and true cost projections. TBD

It should be noted that other developers who responded to inquiries for the other Options, could also be approached through an RFP for Option 3. Indeed, both developers approached thus far under Option 2, expressed the possibility of not only a lease, but purchase of the property as well.

Other considerations:

- How accurate are the initial estimates?
- How extensive have developers/brokers looked at the needs assessment (as detailed in Option 1)? It has been noted that information to date indicates there is an underestimate of renovation costs. Will the estimates hold true after a more detailed examination of the building is done?

Options can all be discussed. As with Options 1 and 2, informal discussions point to the desire in town to have some continued use of the facility for a community center. A guaranteed shared use or retention of some community space(s) in the building would make this option more appealing to voters.

Option 3, Section B: Pros

Pros (from August 2021 Report)

- *A "quick fix" solution*
- *Final space could be very beneficial to town citizens for use*
- *Creates income stream for town in sale of property*
- *Town could keep a long-term lease for use of some community spaces possibly*
- *Town could include covenants related to desired uses for community space, business, and/or housing*

Option 3, Section C: Cons

Cons from August 2021 Report)

- *The developer will face many challenges that come with securing grants for historic buildings*
- *Loss of Town ownership/accountability over the building and potentially its future*
- *Loss of a valued Town asset*
- *Developer may rely on donors to fund the purchase and the rehab of the building; this could be long haul and may result in further disrepair*

Option 3, Section D: Questions and/or Comments

• What happens to the building after the June vote? Who is responsible for those costs, knowing that it will take time to get through a bidding process or sale?
• What happens if developers determine they will need 3 or 4 years in order to secure funding? Who will take care of the building costs/utilities?
• What would be the time frame?
• Annual taxes from the entity that purchases it?
• Would there be a base bid price set?
• What covenants would be included?
• Can/will the Community Center still operate in the interim - and at whose responsibility (cost and liability remain with the town, TMA or some form thereof)?
• If Option 3 prevails, what stipulations (if any) will be on the sale?
• Will there be easements for septic or additional land included?
• Who will define the boundaries of the property for sale?
• Is there a default timeline to beginning the project? What would happen if no funding could be secured or project fails to develop? How does the town protect the integrity of the building? Would we be back to square 1 researching options? Rebid? Revote on other options?
• What would prevent a low bid price, and then the buyer fails to develop, and wishes to resell, to make a profit? (Deed Restrictions defined, Bid process and agreements defined)

IV. Option 4: Demolition

Option 4, Section A: Cost estimates for Full Demolition
As noted in the narrative, three estimates were given for the full demolition, ranging from $201,000 to $498,000. (The low-end estimate would require further work by the town to fill in and finish the earthwork.)

Option 4, Section B: Partial Demolition
The cost of removing the yellow building is estimated between $135,000 to $270,000

Option 4, Section C: For renovation of the remaining brick building into an updated Community Center, the urgent needs for the brick building are the same as outlined in Option 1. Further estimates for renovating and adding new systems are given below. It should be noted this is not a comprehensive list at this time. Due to the extreme cost of the initial estimates (with there being a more than 50% decrease in revenue potential after removing the yellow building), the subcommittee did not prioritize getting numbers beyond very basic estimates, derived from the study for Option 1.

Tier 1:

Item/system	Cost Range	Notes:
Roof	$100,000	Two firm quotes (with varying options). It should be noted the urgent leaks have been repaired under TMA operation/town expenditure.Core samples were taken during leak repairs.
Fire Alarm/External Alarm	$16,000	Internal sprinklers fully functioning but not connected to Fire Department. Fire will trigger sprinklers, but no inside alarm to alert occupants in other areas of the building.
Emergency Exit Routes Will be done by TMA before the May public hearing.	($4,000)	Some existing signs, but not lit. Not all exits are signed/lighted.
Engineering Study	$5,000	Needed to assess structural integrity for usage and permits. Will determine urgency of timing of repairs for usage.
Replace gutters - back gym	$5,000	Leaking water into stairwell - mold, rot or safety issues are primary concern..
Inspect existing system and leach field. Cost includes pumping and assessments.	$5,000	Needs to be done before use by groups or events. Alternatives to be looked into, including holding tanks and sequential pumping over time, as needed following large events. Worth investigation.

Tier 2:

Heating: Replacement or Upgrade	$275,000	Study could to be done to assess long-term cost/benefit, and alternative (gas) system.‡
Repair Condensate Line Under Gym	$6,000	Needed while remaining on the existing system.
‡Switching to gas: Additional $30,000 - $40,000 up-front cost. Maintenance and cost savings estimated up to 30% additional savings.		
Replace Septic	$109K - $189K	Usage/event size allowed will dictate timeline. 2 estimates with varying options given. (Pending septic inspection and alternative designs.)

Replace rotted window sills Brick Bldg	$15,000	Water running between block and brick. Structural damage likely if not fixed.
Brace south wall Brick Bldg	$36,000	Pending engineering study and comparing to the 2018 Capital Needs Report.
Reinforce Gym Floor	$25,000	Based on 2018 Report, pending engineering report.
Alternatively, if above repairs are not sufficient:		
Replace Brick/Block - Wall of south side of Brick building Worst case scenario	$283,000	Estimate received. Noted that a structural engineering study needed to determine urgency/necessity. The 2018 CNA report noted these deviations may have been present at the time of construction. A follow up study would show any progression.
Bathroom Additions/Upgrade	$15,000	Possible to divide room by entryway again (#33) and turn into restrooms, accessed from the lobby. ADA compliance addressed.

Tier 3

Commercial Kitchen/Upgrade	Up to $25,000	Includes Fire Suppression Hood to enable full use of grills, fryer, stovetop cooking. (Currently only baking or limited use simple heating.) Commercial kitchen could be available for rent.
Bathroom Additions/Upgrade	$15,000	Possible to divide room adjacent to the lobby again, and turn into restrooms.
Other ADA requirements?	TBD	
Fix/Replace Windows Trims	*$75,000	Potential grant item - look into energy efficiency.
Gym Floor covering for markets/other.		Potential grant item to reduce wear and tear on gym floor.
Internet Connectivity		Grant potential for installation. WiFi connection can be sold per tenant.

Option 4, Section D: Questions:

- Are there funding sources available to help off-set the cost of demolition? (*i.e. Brownfield grants. No significant source of hazardous materials has been identified on the property, therefore the answer is likely No)*
- What else would the property be used for? Is there a specific need in town that could be addressed by using this property?
- Could a new community center be built in this location?
  The Siemens Report estimated the cost of a new building (similar to the brick building) to be around $9,000,000. More information is needed to assess the feasibility of a new community center, and should be done as part of a larger, more encompassing plan, in conjunction with the planning of the proposed recreation fields and development of Green Spaces in town.

V. List of Questions and Comments (Consolidated from above)

Option 1:

- If the Town borrows this money, what would that do to our credit rating?
- Would that put the Town in a difficult place if they had to borrow money for different project?
- What would the tax increase to tax payers be if the town borrowed the funds?
- Possibility of borrowing through contractor/manager, (see Siemens report)?
- When would a contractor be able to begin and what would status of existing operation be in the meantime?
- What is the time-frame it would take the Town to secure a loan?
- Would a performance bond be required?
- If this option prevails in June, will it require a separate warrant article to approve funding?

Additional questions/Comments for Select Board to consider:

- If Option 1 prevails, how is the process going to be structured going forward? *I.e.,* Will there be an advisory committee for renovation? Fundraising? Linked to grant search? Who would be responsible?
- How (and when) would the determination be made regarding the management structure, oversight, and the possibility of a non-profit being involved in the new management structure?

  The possibility of a new non-profit continuing in some form was added to the CFTCC task list to be included in the Option 1 group. That possibility of a non-profit continuing has both enthused some citizens in town who wish to retain the character of the community group, and has raised concerns from other individuals who want to be assured the same problems do not arise as did the last few years, putting the town in the current situation.
- Will warrant articles be worded to identify/describe the management structure? Information to this end could likely influence voters' decision making.
- How will the public receive the information? (The question was raised when considering warrant article ranges… *i.e.* Specific to Option 1 - how will the public get info on the revenue potential, grant potential, etc, if only the maximum potential cost is listed on the warrant?
- Additional developers (for the other options) have been queried within the scope of the committee work who also could be considered for Option 1. (Notably, Senior Housing inquiries lead to potential developers who could also be considered for Option 1 as well. (See Option 2 table, Developer B). Through meetings and site visits with a developer regarding Option 2, interest was expressed in bidding on an Option 1 configuration as well as Option 2, with particular attention to Historical Renovation, making a multi-use center, including retaining a portion as a Town Community Center along with Senior Housing.
- Note that there is considerable crossover between Options with regard to who and how they are developed. Certain considerations could lead to a project that satisfies preferences would make the development more appealing to a wider range of people in town, leading to a "Win-Win" scenario.

Option 2:

- The possibility exists for a combined Senior Living complex and Community Center. The details of the likelihood that will come to fruition will impact how people vote. Can the Select Board tailor the warrant article to specify that a combined community center would be included in the plan? Is the Select Board willing to consider a way of giving an assurance?
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Option 4:

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- What else would the property be used for? Is there a specific need in town that could be addressed by using this property?
- Could a new community center be built in this location?
  The Siemens Report estimated the cost of a new building (similar to the brick building) to be around $9,000,000. More information is needed to assess the feasibility of a new community center, and should be done as part of a larger, more encompassing plan, in conjunction with the planning of the proposed recreation fields and development of Green Spaces in town.