

Presentation
to
Sudbury Board of Selectmen

July 30, 2018

by

Quarry North Road LLC

Overview

- Envision Melone Charrette – [incorporated multiple uses]
- Local Initiative Program
 - Environmental/Wetland Analysis
 - Traffic Impact and Access Study
 - Fiscal Impact Study
 - Site Civil
 - Water Impact Study
 - Fire, Police, Emergency Services
 - Architecture
 - Construction Management
- 225 market rate rental apartments/townhouses
- 75 affordable housing rental apartments/townhouses
- 24 age restricted for sale market rate townhouses
- 9 age restricted for sale affordable townhouses
- Trail network with connectivity to White Pond Reservation
- Potential new drinking water source

Presentation Slides to Follow

- Criteria 1 - Economic enhancement residential benefits
- Criteria 2 - Job descriptions for full and part time or subcontracted staff
- Criteria 3 – Improvements to quality of life for Sudbury residents
- Criteria 4 – Demonstrate the need for the proposed use in the Sudbury Community
- Criteria 5 – Proof of successful present or past performance
- Criteria for Price or Value proposal

Economic / Residential Benefits

- Estimated real estate tax revenue: \$1,468,573. Estimated assessed value \$81,906,000. Tax rate of \$17.93
*Estimated Assessed value Apartments \$215,770, Market Townhouse \$650,000, Affordable Townhouse \$175,000
- Estimated excise tax revenue: \$132,500. Generated from an estimated 530 registered vehicles 1.6 per apartment
- Estimated building permit and related inspection fees: \$800,000
- Estimated Community Preservation Act (CPA) surcharges will generate \$39,520 in revenue.

A complete fiscal analysis will be prepared for the comprehensive permit review. A preliminary fiscal analysis indicates:

Description	Annual Revenue	Annual Cost	Cost to Revenue ratio	Annual Benefit (loss)
300 Apartments	\$1,279,951	\$1,103,220	0.862	\$176,731
33 Age Restricted TH	\$ 321,122	\$ 33,680	0.105	\$287,442
Total	\$1,601,073	\$1,136,900		\$464,173

Construction of the proposed affordable and senior housing will provide significant residential benefits to the Town. There is a demonstrated need for affordable housing in Sudbury, as detailed in the Town's Housing Production Plan. The greatest level of need is for family, non age-restricted affordable and rental housing, which the development will provide. For-sale, affordable age restriction housing is included in the proposal in order to provide for this critical residential housing need as identified in the Envision Melone Charrette.

We believe we earn the top score for criteria #1 as the only proposal that provides perpetual real estate tax revenue with a estimated annual benefit to the Town of \$464,173.

Job Descriptions

The development will employ a large number of workers during construction. We will encourage the general contractor to employ qualified local businesses. Job descriptions for construction include all manner of skilled craftsmen and craftswomen in:

- Foundation work
- Excavation work
- Licensed machine operators
- Skilled framing and finish carpenters
- Roofers
- Electricians
- Plumbers
- and all manner of local tradesmen and tradeswomen used in a multi-million dollar construction project.

Job Descriptions (cont'd)

The property manager will employ eight to ten full time managers, service/maintenance, and leasing agents. We will encourage the property manager to hire local personnel to fill these positions and to solicit bids from local businesses for operational services such as, snow removal, landscape maintenance, pest control, etc. Job descriptions for long-term employment include:

- Licensed real estate brokers and salesmen / saleswomen
- Office staff
- Landscaping and site management employees
- Licensed wastewater treatment plant operators
- and as noted above, licensed pest control personnel and services for snow removal firms.

We believe we earn the top score for criteria #2 as the largest job producer.

Quality of Life

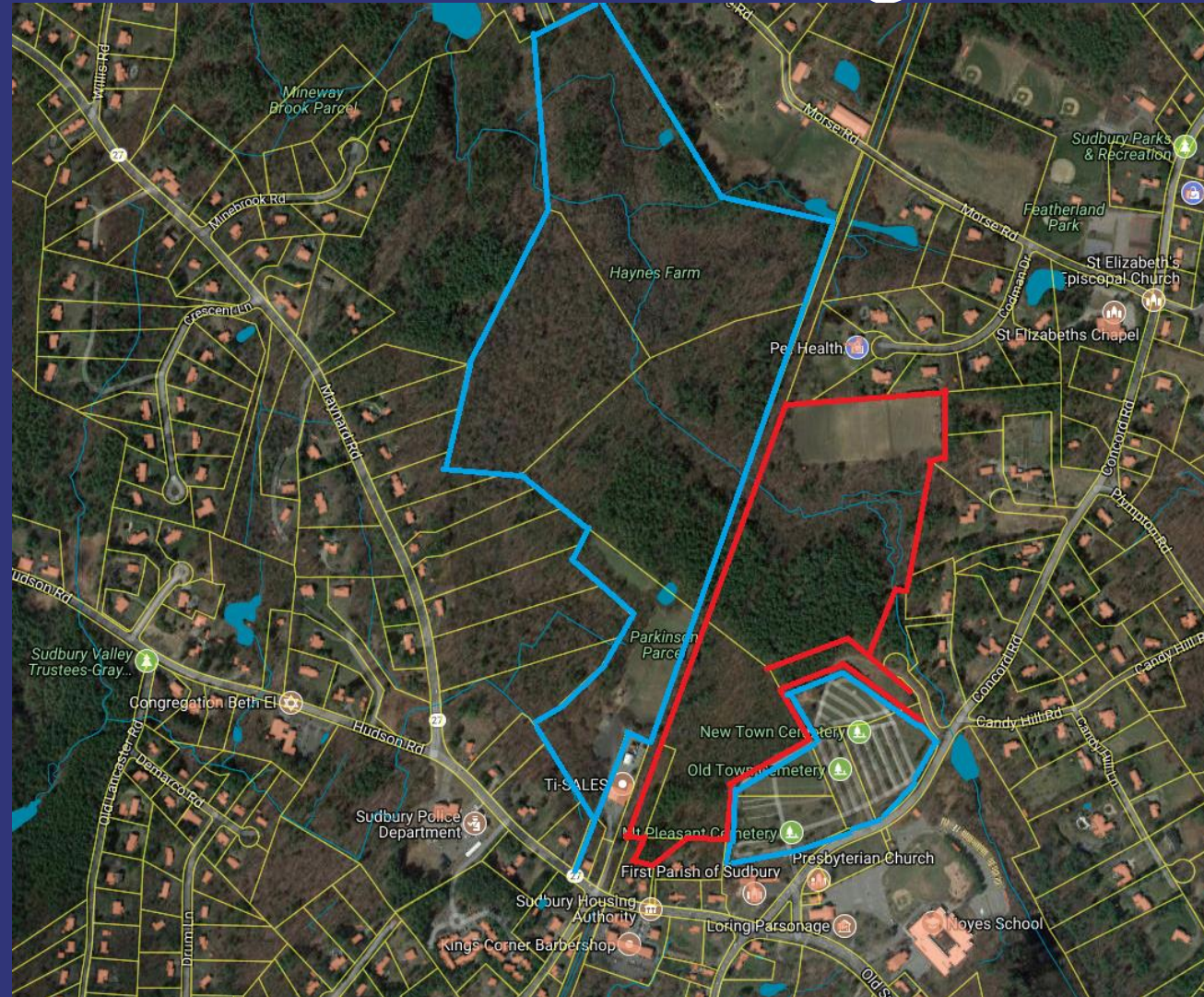
- This proposal provides a unique, unprecedented, and unlikely to be repeated opportunity to enhance, protect, and make more enjoyable the Town's Center, while simultaneously providing much needed housing opportunities in Sudbury.
- This proposal represents an opportunity for the Town to enhance quality of life in the Town in multiple ways. First, Quarry will provide \$1,000,000 towards amenities that are directly aimed at enhancing the cultural and recreational experience of the Town's residents. Because the Quarry is in a position to exchange 40 acres of land in Town Center with the Town, these amenities can be located either on existing Town land adjacent to the Town Center, or on the 40 acres of land that the Quarry will provide as part of this proposal. As a long-time resident of Town and graduate of Lincoln-Sudbury Regional High School, Christopher Claussen is acutely aware of the Town's pride in, and protectiveness of, its Town Center. See the following aerial image.
- We are providing a trail network within the development which will connect to the adjacent White Pond Reservation trail network. The connectivity will provide opportunities for Sudbury residents to enjoy nature.

Quality of Life (cont'd)

- We believe the Town Center land will support a new potable water source for the Sudbury Water District. Once permitted, the addition of a new clean drinking water source will benefit all Sudbury residents.
- The funding provided by the Quarry will allow the Town to create a potential amphitheater, athletic field, dog park, tot lot, and artist shanties. These resources could be located on the Town Center land or Parkinson Field, providing centrally located amenities for all residents to enjoy.
- Ending the dispute with the Village at Sudbury Station will allow residents to get back to normal living, end litigation expense, and avoid changes close to Town Center. Much of the money raised by Town Meeting to litigate the Sudbury Station matter can be returned to free cash or to the Town's stabilization fund, or as the Town determines.

We believe we earn the top score for criteria #3 as the only proposal which addresses Town Center quality of life while simultaneously providing much needed housing opportunities in Sudbury.

Aerial Town Land – Exchange Land



Quarry North Road LLC

Need for Affordable Housing

- Based on conclusions of the Town of Sudbury's Housing Production Plan approved in April 2016, there is "a great need for more affordable housing, particularly rental housing and housing targeted at the 65+ demographic" in Sudbury.
- Gap of approximately \$45,430 between what households earning median household income (\$169,505) can pay for a single family home (one-third of income in housing costs) and median priced home in Sudbury (\$680,000 in 2015 and \$730,000 in 2018[Zillow])
- 1,300 to 1,400 households in Sudbury are housing cost-burdened, including 75% of those earning below 80% of the AMI Sudbury Housing Production Plan notes only 135 affordable family units in Sudbury where 50% of households (2,866) are families with children under 18
- Significant local need for additional affordable housing in Sudbury, especially family rental housing
- Will work with the Town of Sudbury and the Sudbury Housing Authority to help provide affordable housing for families, seniors and veterans of the Sudbury community.

We believe we earn the top score for criteria #4 as we are the only proposer which incorporates three or more of Envision Melone recommendations into our plan.

Sudbury– Safe Harbor

With Quarry, Sudbury would secure control over future development for an extended period.

Community	2010 Census Housing Units	SHI Units	%
Sudbury/Quarry	5,921	978	16.5%

* Estimated HPP 2020 total housing units is 6,294 which would generate a SHI % of 15.54%

The only Towns/Municipalities with a higher SHI percentage are:

Aquinnah (25.9%)	Holyoke (19.9%)
Bedford (18.3%)	Springfield (16.6%)
Boston (19%)	Plainville (16.5%)
Chelsea (19.3%)	Sudbury (16.5%)

Sponsor

Quarry North Road LLC

- Christopher Claussen
- Joseph Hakim
- Christopher Kennedy

Experienced – Qualified - Committed

Development Team

- Architect: Cube 3 Studio
- Attorney: William Henchy
- Civil Engineer: Sullivan, Connors & Associates
- LIP Consultant: Bob Engler
- Traffic Engineer: MDM Transportation Consultants
- Wastewater Engineer: Provencher Engineering
- Wetland Scientist: Call of the Wild

We believe we earn the top score for criteria #5 as the proponent's experience combined with the collaborative structure of a Local Initiative Program will ensure that the project is a success.

Christopher Claussen

- Grew up in Sudbury in the 1970's
- Graduated from Lincoln-Sudbury Regional High School
- After graduating from Worcester Polytechnic Institute with a degree in Management/Computer Science, he worked in the high tech hardware and software field in the Boston area for five years.
- Moved to Naples, FL, in the late 1980's and started a real estate development company.
- Development background includes federal, state and local entitlement, finance, marketing, sales, and construction
- Developed and built approximately 2,000 single-family, multi-family, and high-rise condominium units, amounting to more than \$1B in real estate

Carlton Lakes

- Carlton Lakes is a 200 acre mixed use community
- 800 single family homes, villas, carriage homes and garden condominiums
- Grocery store - retail



Waterside

- Waterside 400 waterfront condominiums
- Deep water boat docks
- Community pools, tennis

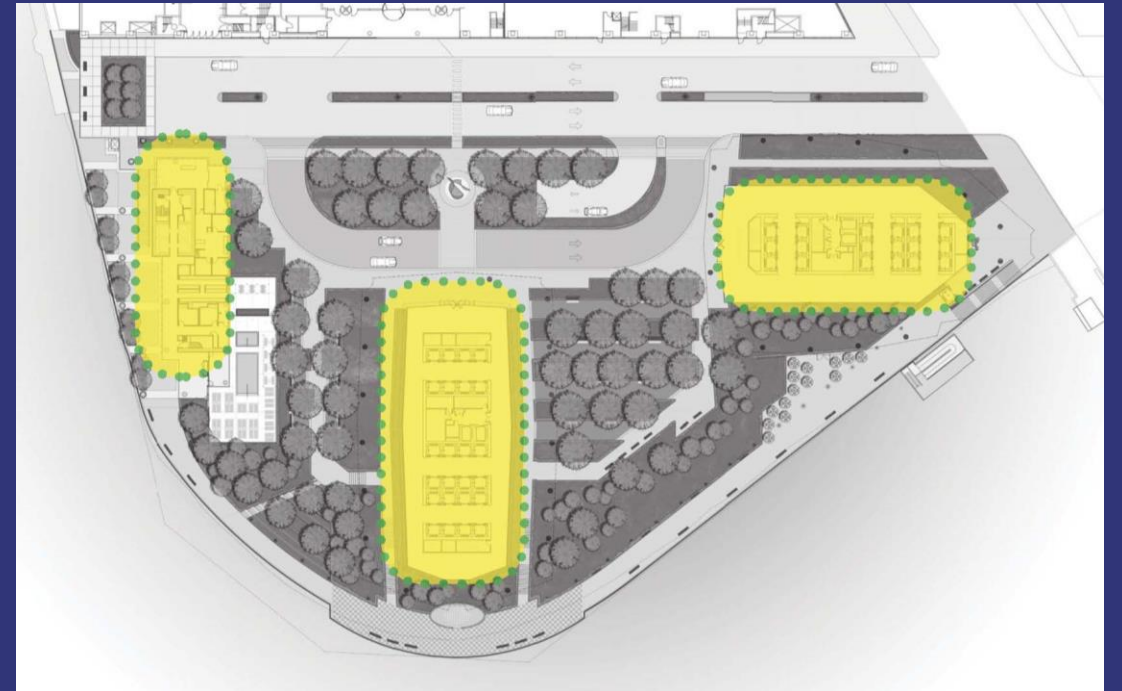


Christopher Kennedy and Joseph Hakim

- Managing the Merchandise Mart and the Boston Design Center.
- Chris is a summer resident of the Commonwealth, assuring that The Quarry North Road will have the resources to design, complete and imbue with quality the proposed project at the Melone property.

Wolf Point

- Wolf Point is a 3.3 million square foot, mixed-use, three-tower project being co-developed with the Hines Interests and Building Investment Trust, a consortium of AFL-CIO pension funds.
- Zoned for 1,260 residential units



Wolf Point West

- 509 apartments
- Opened January 2016
- Over 98% leased



Wolf Point East

- 698 apartments
- Open Fall 2019



400 North LaSalle

- Co-developed by Chris Kennedy and Joe Hakim in partnership with Habitat
- Located in Chicago's River North district
- 452-unit residential development



Kinzie Park

- Co-developed by Chris Kennedy and Joe Hakim in partnership with Habitat
- Located in Chicago's River North district
- 204 high-rise apartments
- 54 mid-rise apartments
- 82 townhomes



Price or Value

	Total Offer	Offer Price	Land/Fees	Net RE Tax	25 Year Net
No time adjust	\$21,101,376	\$1,000,000	\$8,497,051	\$464,173	\$11,604,325
NPV	\$14,477,403	\$1,000,000	\$7,815,478	\$464,173	\$ 5,661,925

- Land/Fees NPV calculation \$7,815,478
 - \$800,000 building permits/fees
 - \$100,000 (Water District)
 - Town Center 40 acre land value \$6,915,478 (Format from MassHousing appraisal)
 - Non-development parcel \$128,571/acre. 26 acres \$3,342,857
 - Development parcel 12 single family building lots at \$465,000/lot adjusted over 3 year absorption at 4%
 - Infrastructure cost/permitting \$1,343,806
 - Costs/Lots adjusted over 3 year absorption/construction period at 4%
 - Discount rate 10%
- NPV calculation
 - 25 year cash flow of net real estate tax combine with Offer Price and Town Center land value and Fees.
 - Community Preservation Act surcharges are not included in NPV calculation.
 - Discount rate 6.5%

Price or Value (cont'd)

In addition to the economic value, our offer includes:

- Control of 40 acres adjacent to Town Center
- Possible cemetery expansion
- Possible new drinking water source
- Conservation land
- Recreation land
- Safe Harbor
- Ending dispute in Town Center

We believe we earn the top score for criteria Price/Value as our total offer is the highest economic value and when combine with the subjective values is superior.

Benefits – Why choose Quarry North Road

- Selecting Quarry North Road LLC as the winner allows the Town a No Risk alternative.
- If efforts break down during the development agreement negotiations, the BOS can terminate the award and begin negotiations with the next highest proposer.
- Awarding the bid to Quarry North Road LLC the Town gets it all.
- Cooperatively created affordable and senior housing
- Secures control over what can be done with 40 acres in Town Center.
- Ends Sudbury Station.





Questions

- What is the net present value of your proposal and how do you arrive at that number. See Price or Value slide #22.
- What is the estimated yearly payment for taxes per year? \$1,468,573 real estate + \$132,500 excise + \$39,520 CPA
- What other non-monetary value does this proposal have for Sudbury? See Price or Value slide #23.
- Can you tell us about other similar projects you have built in the past. See Sponsor slides #12-#21.
- Are you willing to work closely with the community in relation to traffic, public safety and other concerns affiliated with your project. Yes – Local Initiative Program.
- Why should the town choose your proposal as compared to the other two? See Benefits slide #24.

Process Status

- July 2 – Proposal submitted
- July 17 – BOS discuss rank proposals
- July 18 – August 7 – Town Departments/Boards provide comments to BOS on proposals
- July 30 – BOS interview each proponent
- August 14 – BOS ranks proposals, vote establish winner
- August – September – BOS works with winner to establish a development agreement
- October 16 – Town meeting vote
- November – Winner starts permitting process

LIP Process

- We will work with the BOS, ZBA and Town departments
 - Environmental/Wetland Analysis
 - Traffic Impact and Access Study
 - Fiscal Impact Study
 - Site Civil
 - Stormwater, wastewater, grading, landscape, snow storage/removal, lighting etc.
 - Water Impact
 - Fire, Police, Emergency services
 - Architecture
 - Construction management