

Agenda #1

TUESDAY, OCTOBER 10, 2017

Board of Selectmen -- EXECUTIVE SESSION

SELECTMEN'S MEETING ROOM – Town Hall

APPROVED AND RELEASED – 11/13/17

Present – M. Haddad, A. Manugian, B. Pease, B. Pine, J. Petropoulos & J. Degen (participating remotely due to location)

5:30 pm - B Pease called the meeting to order

J Degen motioned to enter into Executive Session pursuant to M.G.L. c.30A, Sec. 21(6) -- to consider the purchase, exchange, lease or value of real estate, as the chair declares that an open meeting would have a detrimental effect on the negotiating position of the public body. Motion seconded by B. Pine. Via roll call vote – Manugian, Pine, Petropoulos & Degen Aye - Pease voted nay.

A lot has been learned, but board guidance is now needed.

J. Petropoulos will present a background then will be open for discussion.

Groton's practice is to set permit fee at 1.2% of anticipated construction cost. Indian Hill Music (IHM) does not desire to present their anticipated or actual costs at any point in this process; hence the Town needs to estimate a value to use. IHM is okay with this process assuming that a fair value can be estimated to the satisfaction of all.

IHM favors a reduced permit fee given the economic benefits and quality of life benefits to the community that this project will provide. They feel that they have been very reasonable and that they have already been impacted by Planning Board requirements. The idea of a PILOT has been mentioned but has been kept very separate for legal reasons. IHM is contending that this is a public/private shared venture – this has not been identified as such in the past that anyone is aware of.

Recent meetings have been heated and IHM representatives have walked out of at least one meeting. Feeling that the relationship was threatened, J. Petropoulos and B. Pine met with additional IHM representatives. Tremendous information was presented rapidly by IHM – options and alternatives were proposed.

A third party was discussed to provide a construction estimate based on plans; their quote for this service is \$50k and was generally agreed to be in excess of the value to be provided.

The physical area of project and components is under debate – the potential estimating third party referenced 160,000sf as the area to be constructed, IHM is using 120,000sf which remains an issue to be resolved. The issue is likely one of how and when to include site construction.

IHM highlighted the 1% figure used for Groton School's recent project. The 1% for Groton School may be an error and should not at this point be used for direction – the fees for this project were complicated and phased.

Options to proceed

1. Establish a building cost and use a rate for permit fee. BoS has the right to waive, discount or multiply a fee. Challenge is getting a real building cost.

2. Other IHM methodology (TBD)

3. Other Towns' methodology (TBD)

Following OML training we believe that the Selectmen tasked to represent us need to function as an open meeting body. They had a meeting prior to this and self-reported this issue and have resolved it by releasing minutes and summarizing to all.

Discussion:

J. Degen – IHM's assertion that this is a public private partnership is a huge issue we need to deal with.

B. Pine – this is not a partnership of this sort as there has been no public input.

Consensus of the Board is that this has not been declared a public-private partnership at any point.

The size to be constructed – the intensive site work may have been included in the area quoted by the potential third party. The building area is likely 120,000. The total project cost – including site work and development – is typically used as the construction cost for permitting. Electrical and Plumbing costs are not part of the permit cost for fee establishment as they generally have their own separate permit fees.

B. Pine - One option would be to consider a reduction of the electrical or plumbing fee; which has not been paid of yet.

J. Petropoulos – Are we willing to modify rate or cost estimate – or are we committed to follow past practice?

B. Pease – Chair summarized that this is the real question at this point for discussion.

M. Haddad – Groton School was originally charged 1.2% of initial construction cost estimate stated on their permit application – the project was alleged to exceed that original construction estimate and an additional payment was voluntarily made by Groton School. Following this voluntary recalculation Groton School's building permit fee equals 1% of the construction cost. IHM has already paid a \$60,000 fee for foundation permit based on estimated construction costs for this phase.

<The BOS meeting posted for 6pm has been opened and tabled until the 5:30 executive session has completed – no public was present at this point and repeated checks for interested parties took place>

B. Pine – perhaps for a non-profit, and a construction cost over \$20M, a 1% might make sense.

J. Petropoulos – turning an error into a policy is a bad precedent. Permits are a revenue source not an attempt to cover the Town's cost. It is critical to stay to our cost of 1.2% of the anticipated construction cost. Taxes paid by homeowners are also an economic benefit to the town and precedent can not be set to allow anyone to deviate from paying the stated permit fee. It is vital to follow practice.

J. Degen – agrees 100% with J. Petropoulos. Regardless of applicant the process must be clean and clear. Quality of construction estimates for various types of space can be calculated and a permit value decided upon. Nothing can move forward without this type of analysis and there is net benefit regardless of cost. Is accepting of proceeding with an alternative method to set a permit fee.

A Manugian – support alternative method. A project of this magnitude will always be a discussion and negotiation. Residential and commercial projects can not be compared. This project will have tremendous benefit; economic and otherwise; to our community.

B. Pease— prefers an alternate method to determine a permit fee – situations vary and this can't be a rigid analysis

Discussion with IHM has touched on the concept payments over time. The establishment of the permit fee is the first detail to be determined – without a cost there's no need to discuss a schedule.

Consensus is that an alternative method is acceptable and that discussion would continue under Executive Session. Any decisions on how to proceed with this project should not be construed to set new policy or set precedent for future projects.

J. Petropoulos motions that the permit fee be established by current permit-costing methodology of total anticipated construction project cost times 1.2% - seconded by B. Pease for discussion. Formal vote to determine if we want to proceed with the set process or consider other methods.

Roll call vote – Petropoulos aye; Pine, Degen, Manugian & Pease nay – Motion fails 1:4:0

J. Degen motions that the Town of Groton authorize JNEI, or it's agent, to do an architectural and engineering review of the IHM center to determine gross sf of building structure, and ancillary structures (as determined by our Zoning Bylaws) to develop gross sf of each attribute and then to apply industry grade-standards classification to aid the BoS in determining how to apply building permit value to the IHM building project. J. Petropoulos seconded for discussion.

This proposal does not advance how we will calculate the permit fee; only the cost of construction; we can then determine the percentage based on this particular case. We need to determine a method for determining the permit fee and then sort out the details of how to work out the estimates. **J. Degen has agreed to withdraw this motion.** M. Haddad is asserting that the project will halt tomorrow if we don't have a decision for permit fee calculation.

J. Petropoulos - We could use a provisional building cost up front with an agreement to reconcile the final building permit fee. This could ensure that the construction moves forward. We also should consider electrical and plumbing permit fees with this analysis. This allows IHM to determine actual cost upon completion based upon a previously determined and agreed-upon rate and process. This is not a ready solution and they may not agree.

B. Pine likes this approach with provisional building cost of \$50M as a starting point. Discussion ensued as to this number being an estimate or a minimum anticipated value.

Need to determine if Board favors determination of a provisional permit fee and process to move forward.

J. Degen is concerned that this simply pushes off a final decision and endangers the ToG position and revenue. J. Degen prefers pushing their hand and telling them what and how we will determine the fee and not negotiate. He will not support this under any circumstance.

A Manugian – doesn't support this approach at this point in this project

B. Pease – wants a solution to this entire discussion, but making a decision tonight on methodology is not required even if it means we (as a community) lose this project. We are left with no viable options at the end if they don't agree with the final analysis – we can't withhold a certificate of occupancy. Enforceability of a legal agreement is an issue, particularly given the likely duration of this construction project.

B. Pine – pragmatically the middle-ground of discussion so far is in the \$500k range, if we can all agree to that we can then back into calculations.

A. Manugian – backing into the calculations is messy and we should call it a negotiated permit fee.

J. Petropoulos – this is a very formal process and we need to be able to justify it in the public.

M. Haddad – regardless of outcome there will be negative community feedback from some parties. However, discussions need to move forward – overall \$450k as a permit fee feels right – including gas, plumbing and site work.

B Pease – is that board willing to consider the intersection reconstruction cost as part of this discussion? Rapid consensus is no.

J. Degen – against any kind of provisional solution. This is about fairness and equity.

The Temple Construction Cost was estimated by the applicant and roughly confirmed by the Town.

B Pine is proposing a \$500k permit fee based on a \$50M construction estimate at 1% and that for projects over \$20M by non-profits the permit fee by calculated using a 1% fee.

J Degen this is way too conservative – based on areas and fees – he believes that cost all in will be in excess of \$75M – Using a 1% fee (inc plumbing and electric) you get \$750,000 as a permit fee OR we negotiate PILOT (this is illegal per acting chair).

J. Petropoulos – any attempt setting a fee then backing into a calculation of cost and rate is problematic. If discussion is around 1% with analysis to follow J. Petropoulos will not agree.

A Manugian – advocate setting a pragmatic permit fee that garners revenue for the Town of Groton; that is acceptable to IHM and allows this project to move forward.

B Pine - \$300k is not defensible and J Degen's assumed costs are in the right ballpark. She wants the project to move forward and a payment over time (perhaps with fees) would be a good outcome.

Payment up front or over time is acceptable to the BoS by consensus; IHM has indicated an interest in this.

B Pease would like permit payment window to be aligned with construction period and J Degen concurs.

J. Petropoulos - Extending this into future years makes sense for the revenue of the town and may lead to a PILOT in future years. A duration certain is more viable than a link to construction duration and A. Manugian agrees.

Motion – A. Manugian moved that a building permit fee (inclusive of plumbing, electrical and site work) be set at \$500k. Payment already made (\$60,000) to be credited and payment terms over time to be negotiated. Seconded by B Pine.

J Degen argues that this is arbitrary and capricious and that without a process this entire discussion is unfair – he may be able to theoretically support an initial fee of \$500k with the final permit fee to be determined after third party review of plans. (Fennessey review of plans at \$50k is low for the industry)

B Pease asked for confirmation (which was given) that the largest building fee to ToG is \$212k.

J Degen made a motion for amendment that the initial permit fee of \$500k be set with the ToG and IHM to split the cost of 3rd party estimation. No one seconded this amendment.

Vote on main motion – by roll call – Petropoulos Nay, Pine Yes, Degen Nay, Manugian Yes, Pease aye 3:2:0

Moving to discussion of who and how the discussions with IHM move forward and maximum payment window and potential interest to be determined. ToG bonds interest rate has been from 0.75% to 1.25%

J. Petropoulos made a motion that payments made overtime be assessed an interest rate of 1.25% compounded annually and a payment term of 9 years. A. Manugian seconded that motion.

Discussion ensued around a definite time or an upper limit and motion was withdrawn.

A Manugian made a motion to direct the Town Manager and a BoS representative to negotiate with IHM for permit payment of \$500k; with an interest rate of 1.25% (compounded annually) with a payment duration not to exceed 9 years. J. Degen seconded for discussion.

Discussion ensued around who would/should negotiate

B Pine would prefer no BoS be referenced to avoid OML issues.

Consensus is that a single member and a staff member is acceptable.

M. Haddad would be prefer to negotiate without a BoS member to allow him to return to the board for discussion if needed.

A Manugian would prefer to have a BoS member along given the past heated relationships with M. Haddad and J. Degen agrees. Per M. Haddad there is currently no animosity.

J. Petropoulos made an amendment motion to remove the BoS representative. B. Pine seconded this.

J Degen - we have already made a fee reduction and there is a previously adversarial relationship; BoS representative opens up options that are beneficial. A. Manugian agreed.

J Petropoulos and B. Pine feel that this is unnecessary.

B Pease feels BoS individual would be restricted in participation but makes an important point.

Vote on amendment – Roll Call – Petropoulos and Pine Aye, Manugian, Pease and Degen nay. 2:3:0

Discussion and consideration returns to main motion; which was re-read.

Vote on main motion without amendment via roll call

Petropoulos Nay – Pine Aye – Degen Aye – Pease Aye and Manugian Aye – motion passed 4:1:0

J Degen made a motion to reconsider this vote and B. Pease seconded.

J Degen feels that a decision would be stronger with a unanimous vote on a final motion.

Vote to reconsider – Petropoulos nay, Pine aye, Degen aye, Manugian nay, Pease nay – motion to reconsider failed 2:3:0

J. Petropoulos – motion to have B. Pease negotiate with IHM together with Town Manager. J. Degen seconded.

(B Pease indicated willingness to do this).

J. Degen would prefer to see himself or A. Manugian take on this role.

Roll call vote on motion – Petropoulos, Pine, Degen, Manugian, Pease – Aye – Motion passed 5:0:0

B Pine – in keeping with new OML learning do we need to vote to disband the consensus to have J. Petropoulos and B. Pine represent the BoS? Consensus that we do not, if there are future discussions needed we will need to discuss who should represent and how to move forward. B. Pine objected to the comment that she and J. Petropoulos had ‘already had a bite at the apple’.

J. Petropoulos statement–

“We failed the public and have set ourselves up for future problems. We were threatened with having a project pulled if we didn’t acquiesce to a price; and we are about to have demonstrated, if our terms are accepted, that we played right into their hands and that the required price was simply a negotiating position and we lost.”

J Degen statement–

“I agree with Jack in many ways; that we should have established a fair rate for this based on sf, however, life is a negotiation and for the good of the economic development of the Town of Groton, and based on the infrastructure improvements that the applicant has offered at the intersection of Old Ayer and Boston Roads a reduced negotiated building permit fee is in the best interest of all parties involved.”

J Degen – These minutes should be released immediately to the public.

J. Petropoulos disagreed that negotiations are in progress and release could be detrimental. J. Degen demurred given the consensus of the board in agreement to keep minutes confidential for now.

B Pease asked that we confirm that a single BoS representative, working with the Town Manager, will not create an OML concern; and counsel will be consulted.

B Pine – in conjunction with the OML issue discussed at 5pm the shared spreadsheet/email from A. Manugian is an OML concern. Lauren Goldberg (counsel) reviewed J. Petropoulos concern and personal opinions/names etc should be removed in the future. The email and spreadsheet shall be included in the minutes of this executive session meeting. Consensus of the board is that this is a good remedy and plan should be shared at an open meeting.

Question is raised about how we should/can response to members of the public who call to complain about an issue or other member of the board.

This meeting was called at the request of J. Petropoulos to update the board as a whole, on the status of the IHM project. We need to trust one another and hope that responses are and were appropriate to any situation

J. Petropoulos made a motion to adjourn executive session and in doing so end our posted 5:30 meeting.

B Pine seconded and all vote aye via roll call vote at approximately 7:45pm.

Mark Haddad

From: Alison Manugian
Sent: Friday, October 6, 2017 12:48 PM
To: Mark Haddad
Cc: Dawn Dunbar
Subject: Re: Indian Hill Music
Attachments: Indian Hill - asm analysis.xlsx

As an FYI - the attached spreadsheet (based on the one from Indian Hill) summarizes my thinking at this point!

Thank you,
Alison Manugian

This e-mail may contain confidential and/or privileged information. If you are not the intended recipient (or have received this e-mail in error), please notify the sender immediately. Please do not disseminate, distribute or copy the contents to any other person. Although this e-mail and attachments are believed to be free of viruses, this cannot be guaranteed, and The Town of Groton cannot accept responsibility for any resulting damage.

From: Mark Haddad
Sent: Wednesday, October 4, 2017 1:56 PM
To: Josh Degen-Home; Barry Pease; Alison Manugian; Becky Pine; Jack Petropoulos (jack.petropoulos@gmail.com)
Cc: Dawn Dunbar
Subject: FW: Indian Hill Music

FYI – In preparation for our Executive Session meeting on Tuesday.

Mark

From: Carole Prest [mailto:cprest@prest.biz]
Sent: Tuesday, October 03, 2017 11:20 PM
To: Mark Haddad
Cc: 'Susan Randazzo'; [REDACTED] Gary Shepherd; Jack Petropoulos; Becky Pine
Subject: Indian Hill Music

Hi Mark,

I've just completed a lengthy phone conference with Susan Randazzo, Indian Hill Music Executive Director; Lisa Fiorentino, COO; Gary Shepherd, Project Manager and key influencers and supporters. The decision, coming out of our conference call, is to call an emergency meeting of the Board of Indian Hill Music next week, subject to the notice period in our by-laws. This meeting will be to decide the future of the project. The notice will go out tomorrow.

Tonight, at Indian Hill Music, we shared with Jack and Becky objective, external, publically available data on similar performance centers to help provide an unbiased way to evaluate construction costs and thus form the basis for a building permit fee. Copies of all presentation materials are attached.

Our representatives will contact you in the next few days to provide more background. I am, unfortunately, in Houston through the end of the week for a family funeral. I would be happy to talk to you next week.

Please share this e-mail and the attached analysis with other Selectmen and whoever else you think is appropriate. I hope that we can settle this amicably but the future prospects for this project could be dire and not to be taken lightly.

My flight tomorrow boards at 6:45 AM, lands in Houston at 1:45 PM but I am available by cell phone at [REDACTED] when not in flight.

Carole Prest
Chairman, Board of Directors, Indian Hill Music

From: Carole Prest [mailto:[REDACTED]]
Sent: Tuesday, October 03, 2017 7:38 PM
To: Mark Haddad (mhaddad@townofgroton.org)
Cc: 'Susan Randazzo'; [REDACTED]
Subject: Tonight's meeting with Jack and Becky

Hi Mark,

Susan, Lisa and I met with Jack and Becky this evening. We walked through the attached PPT sharing information about how other towns, cities and counties have worked with performing arts centers, building permit fees paid versus construction cost and on a cost per sq. ft. basis, some information on economic benefit to the town from a performing arts center and, perhaps most important to Jack and Becky, comparable construction costs per sq. ft. The other 2 documents are the spreadsheet with all the back-up calculations and a PDF about the '63 Center for Theatre and Dance in Williamstown, MA which was also designed by Alan Joslin, a multi-use facility (theatres, classrooms, offices, etc.) of roughly the same size as our current project. We think this is the most relevant comparison since it is multi-use, not all concert hall and has similar finishes and construction quality as our project will, if we build it.

They wanted to think about what we shared and so the next step is a bit unclear.

Please feel free to look at all the attachments and Susan, Lisa and/or I would be happy to meet with you and answer any questions. In particular, Jack wanted to share this one slide with you about the permit fees already paid and other commitments made and projected estimates for fees still to be paid on the project. I think he is hoping that you can serve as a coordinator across various departments and committees to help us understand what some of these numbers might actually turn out to be:

**Other fees assessed and commitments already
made to the Town by IHM**

Fees and commitments	Dollars committed or paid
Initial building permit	\$ 60,000
Road improvements at Prescott Park	\$ 500,000 (estimate)
Sewer tie-in	\$ 135,000
Water tie-in	\$ 60,000
Construction control	\$500,000 - \$600,000
Electrical permit	???
Plumbing permit	???
Total without building permit	\$1,255,000 - \$1,355,000
Final building permit	???
Total cost to IHM for permits, tie-ins, construction control and road improvements	Over \$1.5 million

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I am leaving tomorrow for Texas to attend a family funeral and will be gone all week. But I'd be happy to talk next week at your convenience. It might make sense for Susan and you to talk more about what Jack was hoping to convey to you with the slide above about fees assessed and commitments already made. She may reach out to you but, of course, feel free to reach out to her.

Thanks, Mark.

Best,
Carole

indian hill **music**

Presentation to Jack Petropoulos and
Becky Pine

October 3, 2017

Goals For The Negotiation

- **Fair** to Indian Hill Music and **defensible** to residents of the Town of Groton
- Ability to demonstrate that similar metrics have been used as justification for the eventual building permit fee
- Adherence to the wishes of the major donors' wish for anonymity and confidentiality
- Develop a plan to coordinate the different Town departments who seem to be operating independently in their "reasonable" assessments of fees on the project
- Understanding that a start up venture of this type will face many years of deficits before it will breakeven
- Create a new basis for a real partnership, not just lip service, between Indian Hill Music and the Town of Groton

Goal for this meeting

- Understand how other towns and cities in Massachusetts have assessed concert venues of similar size and complexity
- Look at how public/private partnerships for other performing arts centers work in similar towns in MA and elsewhere
- Develop a common understanding of what a reasonable per square foot construction cost is for a project of this scale and type
- Examine recent data on how Groton projects are being assessed
- List the commitments to the Town that Indian Hill Music has already made
- Develop a common understanding of the approach we will take to determine a fair building permit fee

Comparable projects included in this analysis

Groton projects:

Project	Construction Cost	Sq. Footage	Permit fee
Groton School Addition	\$21,272,400	45,000	\$212,737
Groton Inn	\$6,300,000	51,000 inn + 10,000 restaurant	\$75,600
Shirdi Temple	\$6,000,000	40,414	\$72,000

Other MA based performing arts centers:

Center	Location	Sq. Footage
'62 Center for Theatre and Dance	Williamstown, MA	126,000
Hanover Theatre	Worcester, MA	76,000
Cary Hall	Lexington, MA	31,000

Other performing arts centers of similar size and complexity:

Center	Location	Large concert hall	Recital hall
Gallo Center for the Arts	Modesto, CA	1,250	400
California Center for the Arts	Escondido, CA	1,500	400
Green Music Center	Sonoma, CA	1,400	240

Class of '62 Center for Theatre and Dance, Williams College

- Designed by William Rawn Associates
 - Alan Joslin, co-principal architect
- 126,000 sq. ft. mixed use building that includes
 - MainStage Theatre (550 seats)
 - CenterStage “black box” Theatre (200 seats)
 - Adams Memorial Theatre renovation (210 seats)
 - Dance studio
 - Classrooms, faculty offices, stage and performer support spaces (dressing rooms, carpentry and paint shop, costume design and sewing rooms, etc.)
- Cost on record \$34,270,600 (Construction cost = \$272/sq. ft.)
- Permitted in 2003. Opened in 2005.
- **Permit fee charged by the Town of Williamstown was \$239,894**
 - 0.70% of construction cost
 - \$1.90 per sq. ft.
- Using government inflation indices, that project today would be estimated to cost \$43,082,864 in 2017 dollars
 - Estimated permit fee using Williamstown’s 2003 fee schedule would be \$301,546

'62 Center for Theatre and Dance



Town of Williamstown

- Multiple large scale building projects in Williamstown have taken place in the past decade
 - Williams College: '62 Center, new student center, new library, multiple new faculty office and classroom buildings, new science center, etc.
 - Clark Art Institute: Lunder Center at Stone Hill (completed in 2008, 97,700 sq. ft.) and Clark Center (completed in 2014, 42,600 sq. ft.)
- Extremely difficult to establish construction costs on projects as wide ranging as a performing arts center, an art gallery or a science center
- Decision by the Town to simplify commercial building permit fee system
- Today, all commercial projects are billing at \$0.55/ sq. ft.
 - If the '62 Center were permitted today, the permit fee would be \$69,300.

Source: Interview with Jason Hoch, Town Manager, Town of Williamstown, September 29, 2017

Hanover Theatre, Worcester

- Major renovation costing \$32 Million.
- 76,000 sq. ft. (Construction cost = \$421.05 per sq. ft.)
- **Building permit fee was set at \$38,000**
 - 0.12% of construction cost
 - \$0.50 per sq. ft.
- Due to intricacies of financing structure, the new Hanover Theatre operated as a for-profit LLC for the first 7 years, thus making it eligible for city real estate taxes
 - City of Worcester could have charged them \$400K per year.
 - The city instead gave them a TIF* through which they forgave all future tax revenue, worth \$3 million.
- The city also gave them a 10 year agreement to lease parking spaces at the Federal Plaza across the street
 - Cost to Hanover Theatre is \$1/space/day.
 - Annual cost to Hanover Theatre = \$50,000
 - Annual revenue from parking = \$350,000
 - Net contribution from City to Hanover Theatre annually is \$300,000

Source: E-mail from Troy Siebels, September 27, 2017; TIF is Tax Increment Financing.

Hanover Theatre, Worcester

Troy Siebels, President and CEO of the Hanover Theatre

“I think the point was that the city saw that while we had raised the dollars to do the facility restoration, there was a real risk of our new organization not being able to survive given the cost of operating the larger building. The above [concessions] were ways that they could help ensure that we were successful in both the short and long term, so that we could be of real benefit to the city in bringing people and economic activity downtown.”

Cary Hall Renovation, Lexington

- Owned by the Town of Lexington
- Performance venue for the Lexington Symphony
- \$9 million renovation funded mostly by funds from the Community Preservation Act.
- Committee consisting of representatives from the community (including the Chair of the Board of the Lexington Symphony) worked within Town Hall and the community to build support.
- Project was recommended by Selectmen and approved at their Town Meeting with strong support from Lexington residents .
- 31,000 sq. ft.
 - Construction cost per sq. ft. = \$290.32
- **No building permit paid since the building is owned by the Town.**
- Cary Hall is the venue for Lexington Symphony, town meeting, lectures, and performances, managed by Spectacle Management, in a wide range of genres including pop, folk, etc.

Source: Interview with Fred Johnson, Lexington resident and former Board Chair, Lexington Symphony

Economic Impact on Town of Lexington

- Jonathan McPhee, Lexington Symphony Musical Director
 - “Within two concerts [after the renovation], we had doubled our audience.”
- Peter Lally, president of Spectacle Management
 - Manages non-classical performances under contract with the Town
 - He is quoted as saying that the Town has seen positive impacts on the businesses and has drawn a broader audience.
 - Roughly half of the concert goers come from outside of Lexington; the other half of concert goers live in Lexington.
- Melisa Tintocalis, Director of Economic Development
 - “The service industry in Lexington benefits greatly from the venue.”

Source: [“Cary Memorial Building is in the Spotlight after renovation”](#), March 10, 2016

Examples of Other Public Private Partnerships

- Gallo Center for the Arts, Modesto, CA
 - Stanislaus County and City of Modesto pledged \$15 M which was later matched by close to \$20M in private funds.
 - City of Modesto funded \$602,000 for curb, gutter and streetscape improvements prior to opening.
- California Center for the Arts, Escondido, CA
 - Built, owned and largely funded by the City of Escondido
 - Additional private support comes from local corporations, foundations and private individuals.
- Green Music Center, Sonoma County
 - Originally the vision of the President of Sonoma State University
 - Located on land owned by Sonoma State
 - Concert halls were largely constructed using private donations
 - University continues to fund key elements of the infrastructure including building maintenance, parking, restaurant, IT, Finance , HR and other back office support

Comparable Performing Arts Centers in MA

Project	Construction Cost	Square Footage	Building Permit fee	Building permit fee as percent of construction cost	Building permit fee as dollar per square feet
Hanover Theatre, Worcester	\$32,000,000	76,000	\$38,000	0.12%	\$.50
'62 Center for Theatre and Dance, Williamstown Old formula	\$34,270,600	126,000	\$239,894	0.70%	\$1.90
'62 Center New formula	\$34,270,600	126,000	\$69,300	0.17%	\$.55
Cary Hall renovation, Lexington	\$9,000,000	31,000	None	None	None

Sources: Troy Siebels, CEO of Hanover Theatre; Jason Hocht, Town Manager, Town of Williamstown; Fred Johnson, Lexington Town resident and former Chair, Board of Directors, Lexington Symphony

Comparative Groton Projects

Project	Construction Cost	Square Footage	Construction cost per sq. ft.	Building Permit fee	Building permit fee as percent of construction cost	Building permit fee as dollar per square feet
Groton School addition	\$21,272,400	45,000	\$472	\$212,737	1.00%	\$4.73
Groton Inn	\$6,300,000	51,000	\$103	\$75,600	1.20%	\$1.48
Shirdi Temple	\$6,000,000	40,414	\$148	\$72,000	1.20%	\$1.78

Note: We reviewed 780 CMR: State Board of Building Regulations and Standards, Section 105 on Permits and Section 109 on Fees. We also reviewed 801 CMR 4.02: Fees for Licenses, Permits and Services to be charged by state agencies. There are no requirements dictated by the State on the building permit fees to be charged by the Town to privately owned projects.

Establishing the Town's current position?

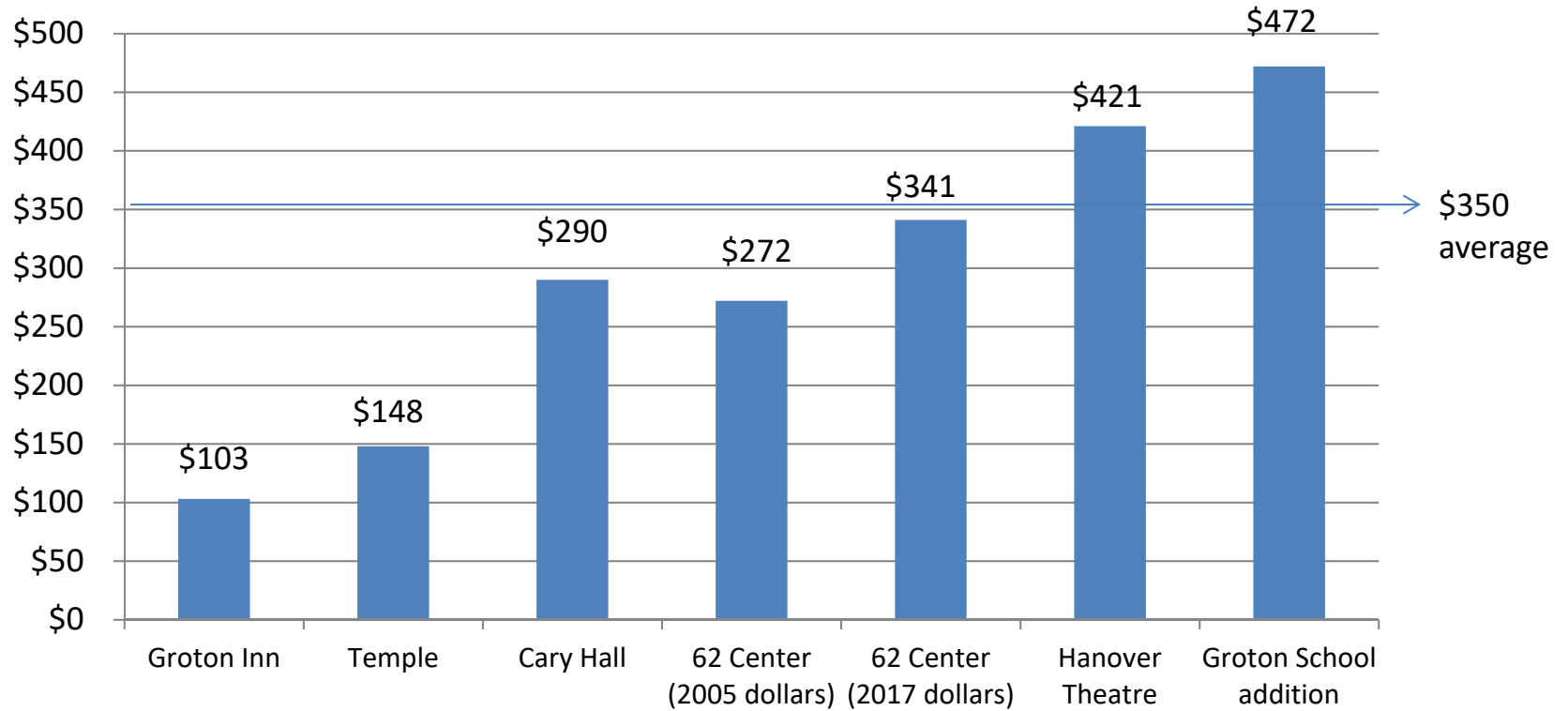
Recent conversations with Mark Haddad and Ed Cataldo suggest that this is the Town's position:

- Assumption that performing arts centers have typical construction costs of \$400 - \$600/sq. ft.
- Since the building also will include classrooms, offices, basement storage, etc., use \$470 as a blended rate.
- $\$470 / \text{sq. ft.} * 120,000 \text{ sq. ft.} = \$56,400,000$
- Estimated permit fee \$720,000

We would propose that a more realistic construction cost estimate is \$42 M given actual construction costs of performing arts centers in MA as determined by other cities and towns during their permitting process.

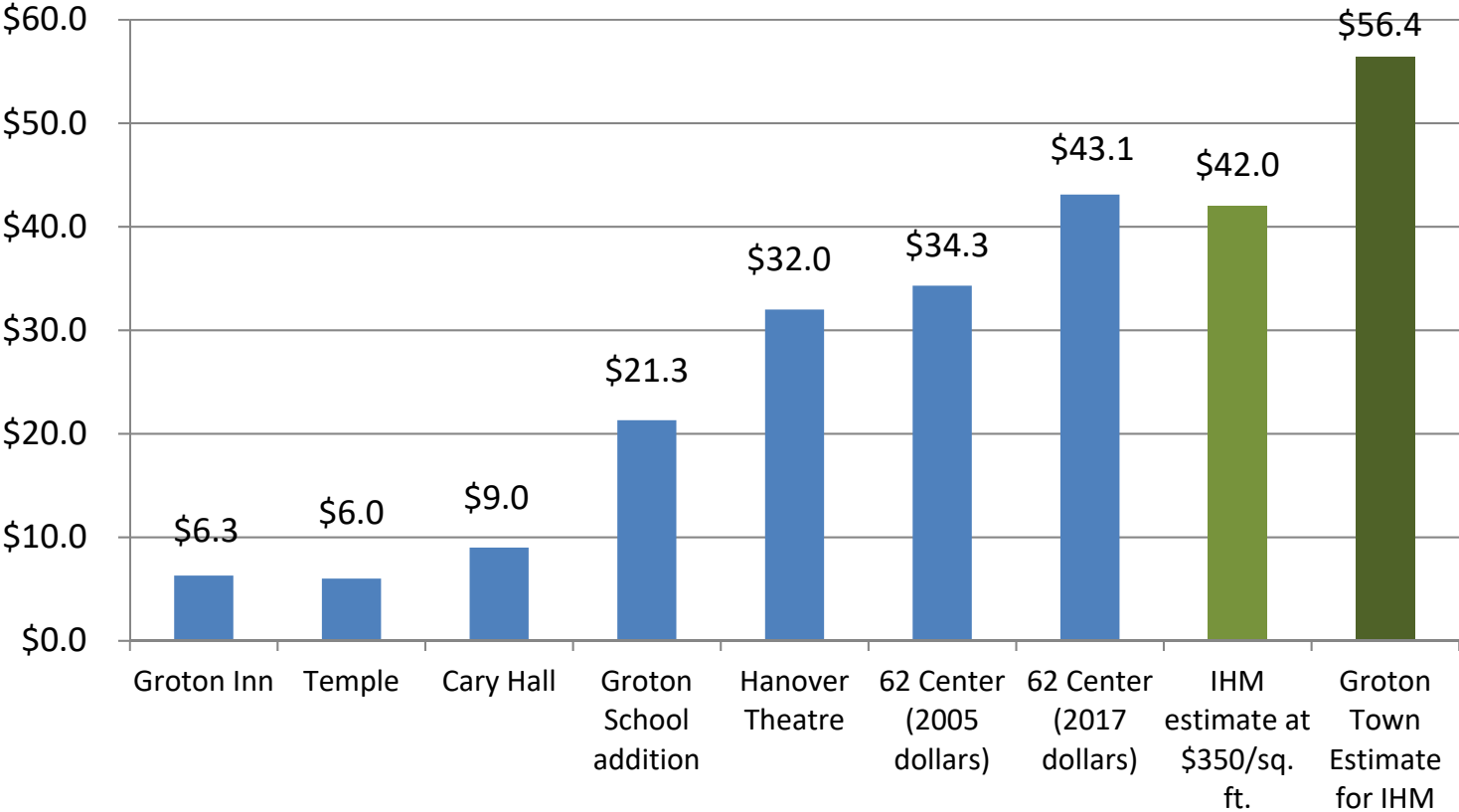
Construction Costs on Comparable Projects

Construction cost per sq. ft.



Construction Cost Comparisons

Construction cost in millions



Note: Groton Town construction cost estimate from Mark Haddad using \$470/sq. ft. assumption

Calculated ranges for permit fees

Calculated ranges for building permit fees using 120,000 sq. ft	Based on \$42 M construction cost	Based on \$56.4 M construction cost
At \$0.50 per sq. ft. (Hanover Theatre rate)	\$ 60,000	\$ 60,000
At \$0.55 per sq. ft. (Class of '62 Center for Theatre and Dance rate)	\$ 66,000	\$ 66,000
At 0.12% of construction costs (Hanover Theatre rate)	\$ 50,400	\$ 67,680
At 0.70% of construction costs ('62 Center rate)	\$ 294,000	\$ 394,800
At \$1.48 per sq.ft. (Groton Inn rate)	\$ 177,600	\$ 177,600
At \$1.78 per sq. ft. (Temple rate)	\$ 213,600	\$ 213,600
At 1.00 % of construction cost (Groton School rate)	\$ 420,000	\$ 564,000
At \$4.73 per sq. ft for permit (Groton School)	\$ 567,600	\$ 567,600
At 1.20% of construction cost (Temple rate)	\$ 504,000	\$ 676,800
At \$1.90 per sq. ft. ('62 Center old formula)	\$ 228,000	\$ 228,000
At .70% of construction cost ('62 Center old formula)	\$ 294,000	\$ 394,800
Average	\$ 261,381	\$ 310,080

At Weighted Average of Recent Groton Projects

Project	Permit fee per sq. ft.
Groton School addition	\$4.73
Groton Inn with restaurant	\$1.24
Groton Inn without restaurant	\$1.48
Temple	\$1.78
Weighted average	\$2.46 - \$2.64 / sq. ft.
Permit fee for 120,000 sq. ft. IHM project using weighted average rates	\$295,200 - \$316,800

At Weighted Average of Recent Groton Projects

Project	Permit fee as percent of estimated building cost
1.0% of \$42 M (Groton School)	\$420,000
1.2% of \$42 M (Groton Inn and Temple)	\$504,000
Permit fee for \$42 M valued IHM project using weighted average rates	\$420,000 - \$504,000

Other fees assessed and commitments already made to the Town by IHM

Fees and commitments	Dollars committed or paid
Initial building permit	\$ 60,000
Road improvements at Prescott Park	\$ 500,000 (estimate)
Sewer tie-in	\$ 135,000
Water tie-in	\$ 60,000
Construction control	\$500,000 - \$600,000
Electrical permit	???
Plumbing permit	???
Total without building permit	\$1,255,000 - \$1,355,000
Final building permit	???
Total cost to IHM for permits, tie-ins, construction control and road improvements	Over \$1.5 million

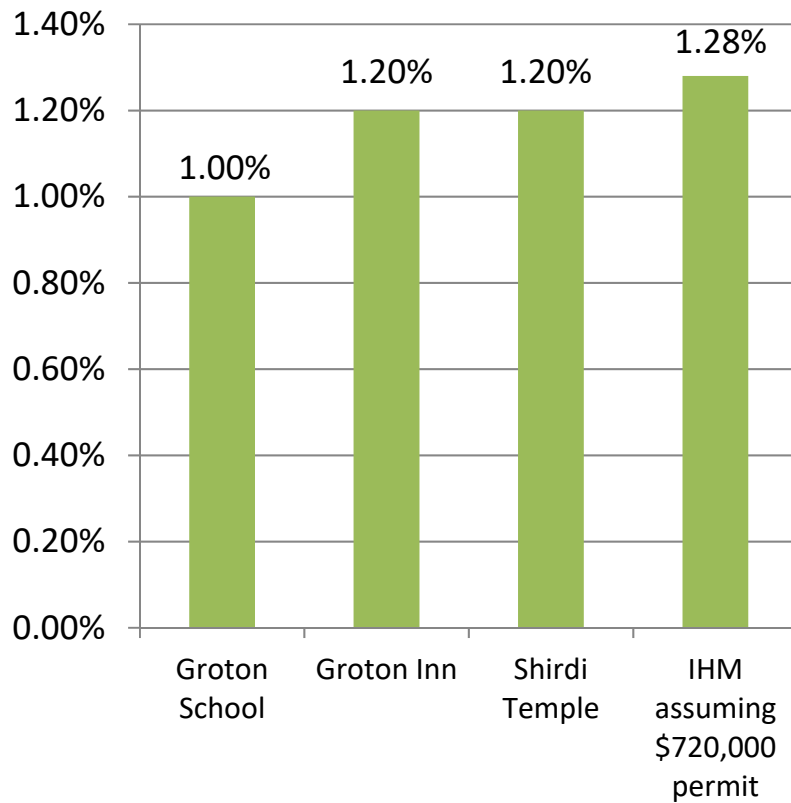
IHM's Position

There is a wide range of defensible permit fees:

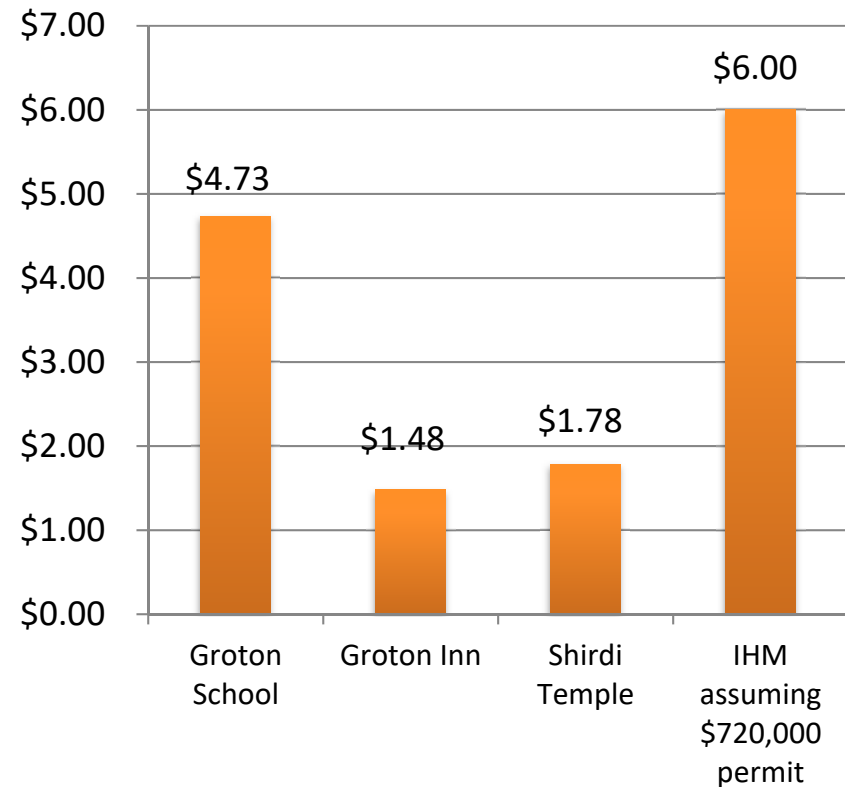
- Realistic construction cost is closer to \$42M than \$56M based on comparable projects in other towns.
- If this were a real public/private partnership, the approaches used in towns and cities like Worcester, Lexington and Williamstown would support permit fees of **under \$70,000**.
- If Groton were to adopt a flat commercial development fee/sq. ft., then a fee of **\$177,600 to \$213,600** could be justified based on comparisons to Groton Inn and Shirdi Temple.
- If we were to use weighted average rates/ sq. ft. for Groton only projects including the Groton School addition, it would suggest fees between **\$295,200 and \$316,800**.
- IHM has already paid **\$60,000** for the initial building permit and is facing significantly more charges as part of the cost of road improvement at Prescott Parks, electric, water, sewer, etc.
- The Town will benefit from increased spending of visitors to Groton in the form of meals, room and sales taxes as Lenox has, attributable to Tanglewood. (See Appendix.)

\$6.00 per sq. ft. is unjustifiable

Percent of construction cost



\$/ sq. ft.



Note: This assumes \$720,000 permit fee and \$56,400,000 construction cost.

Appendix

Gallo Center for the Arts

- \$30 Million. 1,200 seat theatre, 400 seat theatre and art gallery
 - Envisioned as a public private partnership between Stanislaus County, the City of Modesto and Central Valley Center for the Arts, a non-profit.
 - 1999: County and City pledged \$15 M to build the facility
 - 2001: CVCA raised \$10M from the Gallo family, \$5 million from Mary Stuart Rogers Foundation, and \$2.9 million from other donors
 - 2003: City of Modesto approved funding of \$602,00 for curb, gutter and streetscape improvements in 2003
 - 2004: Challenge grant enabled them to secure \$3 Million in additional gifts
 - 2007: Gallo Center for the Arts was opened
- *“The Gallo Center for the Arts project is an extremely creative public private partnership involving community fundraising, a private operator, County land and buildings, shared parking facilities, coordination and cooperation with the downtown Modesto business community, and enhancing the local and regional economy.”*

California Center for the Arts (CCA), Escondido, CA

- CCA is a nonprofit arts foundation owned by the City of Escondido
- 1985: Escondido voters approved the design and construction of a \$73 million arts center as part of an overall redevelopment project built to revitalize the downtown area.
- 1,523 seat concert hall, 404 seat theatre, 17,000 sq. ft. conference center, 9,000 sq. ft. art museum
 - Opened in 1994 at a total cost of \$85 million.
- At the time of its opening in 1994, a press item noted:
 - “From its start..., the center has been planned as a public-private partnership. The city provided land and helped finance the buildings through bond issues and development fees, saving the center from having to do so through the traditional wooing of patrons for its construction and start-up costs.”

Green Music Center, Sonoma, CA

- Originated as the vision of the President of Sonoma State University
- 100,000 sq. ft. facility that houses:
 - Concert hall (1,400 seats) with ability to open to lawn seating of up to 4,000. Opened in 2012
 - Recital hall (240 seats). Opened in 2014
 - Restaurant
 - Classrooms and studios that house the Music Department of Sonoma State.
- Located on land owned by Sonoma State
- Home to Santa Rosa Symphony Orchestra
- Concert halls were largely constructed using private donations from lead donors Donald Green, Sandy Weill, and Jean Schultz.
- University continues to fund key elements of the infrastructure including building maintenance, parking, restaurant, IT, Finance , HR and other back office support.
- All employees are employees of SSU with wages and benefits paid by SSU.

Tanglewood's Impact on Lenox

A study completed in 2017 by Professor Stephen Shepherd of Williams College, commissioned by the BSO, Boston Pops and Tanglewood, identified the economic impact on the Berkshires and Lenox attributable to Tanglewood.

Summary of Results	Economic Benefit
Economic Impact on the Berkshires	~ \$103 Million
Economic Impact on Lenox	~ \$40 Million
Jobs created in Lenox	~ 1,200
Number of days people stay to attend a concert	3.8
% of attendees from outside Berkshire County	84%
% of attendees from outside Massachusetts	50%
Property taxes on second homes in or near Tanglewood	~ \$13 Million

Opportunity for IHM to Create Economic Benefit for the Town of Groton

	Groton	Lenox
Population	10,873	5,432
Area (Sq. Miles)	33.7	21.7
2017 Total Levy	\$30,205,080	\$14,822,046
2017 Tax Rate	\$18.26	\$12.21
2017 Levy % Residential	94.16%	77.30%
2017 Levy % Commercial	3.64%	18.90%
2017 Levy % Industrial	0.84%	0.75%
2016 Excise tax: Meal	\$120,076	\$274,460
2016 Excise Tax: Room	0	\$1,876,615

'62 CENTER FOR THEATRE AND DANCE

Williams College



William Rawn Associates, Architects, Inc., Boston, MA

'62 CENTER FOR THEATRE AND DANCE Williams College



The '62 Center for Theatre and Dance at Williams College supports theater and dance students in their pursuit of artistic excellence and serves as a world class venue for the Williamstown Theatre Festival. The building takes full advantage of the rural Berkshire landscape by creating panoramic views to the surrounding hills and mountains. The main lobby engages the Town Green with large sliding doors and a broad overhang that allow patrons to stroll onto the generous front lawn. Campus pathways weave through the building giving visitors and students a chance to see theater and dance activities as they walk about campus.

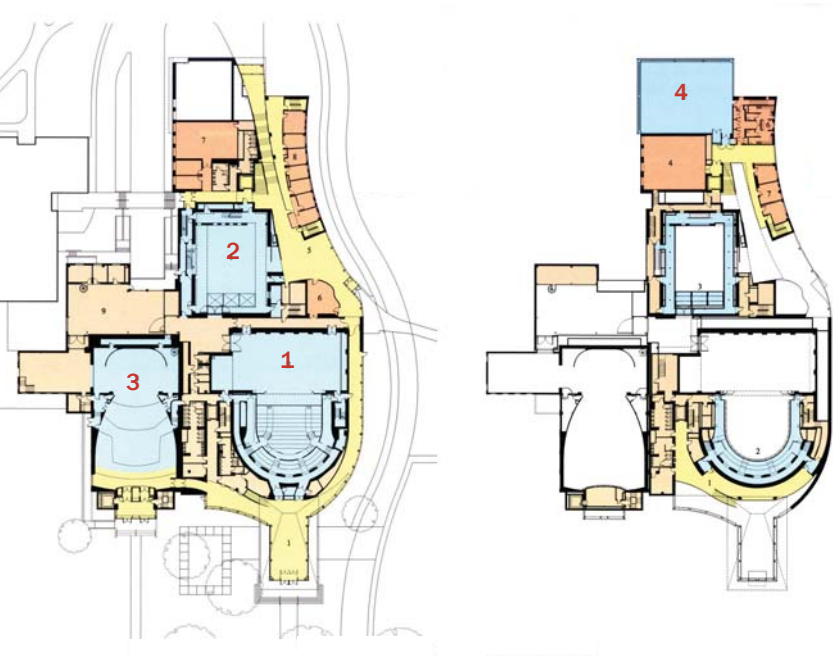
Building Photos



MainStage Lobby



North Facade, Dance Studio in Glass



- 1 MainStage Theatre
- 2 CenterStage Theatre
- 3 Adams Memorial Theatre
- 4 Dance Studio



MainStage Theatre

The new '62 Center for Theatre and Dance includes four performance venues:

1. The **MainStage Theatre** seats 550 and is marked by a warm wood interior. Large enough to attract touring artists, its design also seeks to maximize intimacy in a compact volume, creating a welcoming setting for smaller college-based rehearsals and productions.
2. The **CenterStage Theatre** will be the workhorse of the Theatre Department. It is a 200-seat "Studio Theater" with moveable balconies, a flexible lift, and a giant steel sliding door that opens directly onto the CenterStage lobby.
3. The existing **Adams Memorial Theatre** has been converted to an intimate 210-seat "thrust stage" theater (a literal theater within a theater).
4. The **Dance Studio** with three walls of glass has dramatic views to the Berkshires and will serve as a special performance space for small dance productions and music recitals.



Dance Studio



CenterStage Theatre



Sliding Door Opening to CenterStage Theatre



PROJECT FACTS

PROJECT NAME

'62 Center for Theatre and Dance

PROJECT LOCATION

Williamstown, Massachusetts

SIZE

New Construction: 106,000 s.f.

Renovation: 20,000 s.f.

USES

550-seat proscenium theatre, 200-seat "Studio" theatre, 210-seat renovated Adams Memorial Theatre, dance rehearsal studio, stage support spaces, performer support spaces, faculty offices, and classrooms.

OWNER

Williams College, Williamstown, MA.

CLIENT CONTACT

Win Wassenar tel. 413.597.4686

ARCHITECT

William Rawn Associates, Architects, Inc., Boston, MA

CONSTRUCTION MANAGER

Barr & Barr Builders, Inc., Framingham, MA.

THEATER CONSULTANT

Theatre Projects Consultants, Inc., South Norwalk, CT.

Benton Delinger, Project Manager

ACOUSTICIAN

Acoustic Dimensions, New Rochelle, NY



AWARDS

2008 National Honor Award for Interior Architecture, American Institute of Architects

2007 Prague Quadrennial: Selected for Full Exhibition

2006 Honor Award, New England Chapter, American Institute of Architects

2006 Honor Award for Interior Design, Boston Society of Architects

2006 Merit Award in Architecture, United States Institute of Theatre Technology

2005 Higher Education Facilities Design Award, Boston Society of Architects

2005 Award for Design, Boston Society of Architects

2005 National Merit Award, American Institute of Steel Construction, Inc.