

## B. Pro Forma

### FALMOUTH WORK FORCE HOUSING

#### PRELIMINARY FINANCIAL ANALYSIS

Phasing Schedule			PHASE 1		PHASE 2	TOTAL
Unit Type	SF	\$120 Cost				
1 BR Condo	700	\$84,000	8	0		8
2 BR Condo	900	\$108,000	10	0		10
2 BR Home	950	\$114,000	0	8		8
Habitat 2 BR	950	\$-	0	4		4
3 BR Home	1100	\$132,000	0	16		16
Habitat 3 BR	1100	\$-	0	2		2
Total Units			18	30		48
<b>USES OF FUNDS</b>						
<b>Hard Costs</b>		per unit				
Land Acquisition		0	-	-		-
Site Work						-
Grading/Site Prep		15,000	270,000	360,000		630,000
Roads			405,000	675,000		1,080,000
Stream Crossing			-	70,000		70,000
Stormwater			150,000	150,000		300,000
Contingency		10%	55,500	89,500		145,000
Structures			1,752,000	3,024,000		4,776,000
Construction Contingency		3.0%	52,560	90,720		143,280
<b>Total Hard Costs</b>			2,685,060	4,459,220		7,144,280
<b>Soft Costs</b>						
Architect & Engineer			110,000	70,000		180,000
Survey & Geotech			15,000	5,000		20,000
Testing			5,000	3,000		8,000
Legal			20,000	6,000		26,000
Title Insurance & Recording			6,000	5,000		11,000
Tax & Insurance			12,000	18,000		30,000
Appraisal			6,000	600		6,600
Permits & Fees			20,000	18,000		38,000
Market Study			4,000	-		4,000
Construction Loan Fees			13,000	22,000		35,000
Construct Loan Legal & Inspect			12,000	7,500		19,500
Construction Interest			101,553	164,767		266,321
Carrying Cost			30,000	60,000		90,000
<b>Total Soft Costs</b>			354,553	379,867		734,421
Total Costs			3,039,613	4,839,087		7,878,701
<b>Developer Overhead</b>		10%	303,961	483,909		787,870
<b>TOTAL USES OF FUNDS</b>			3,343,574	5,322,996	-	8,666,571

**SOURCES OF FUNDS****Sale of Units**

1 BR Condo	180,000	1,440,000	-	1,440,000
2 BR Condo	200,000	2,000,000	-	2,000,000
2 BR Home	210,000	-	1,680,000	1,680,000
3 BR Home	230,000	-	3,680,000	3,680,000
		3,440,000	5,360,000	8,800,000
Cost of Sales	6%	(206,400)	(321,600)	(528,000)
<b>Total Sale of Units</b>		3,233,600	5,038,400	8,272,000

<b>TOTAL SOURCES OF FUNDS</b>		3,233,600	5,038,400	8,272,000
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<b>SOURCES - USES</b>		(109,974)	(284,596)	(394,571)
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<b>SUBSIDY NEEDED FOR 80% UNITS*</b>		(980,000)	-	(980,000)
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<b>NET PROFIT BEFORE SUBSIDY</b>		(1,089,974)	(284,596)	(1,374,571)
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**SUBSIDY SOURCES**

<b>TIF Proceeds</b>		589,974	665,252	1,255,226
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<b>CDBG</b>		100,000	-	100,000
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<b>AHP</b>		400,000	-	400,000
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<b>PROFIT</b>		-	380,656	380,656
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<b>Profit %</b>		0.00%	7.15%	4.39%
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*Per unit subsidy for 80% units	70,000	14	0	14
Habitat for Humanity units	0	0	6	6
Total Subsidized Units		14	6	20

**C. Feasibility Analysis by Northeast Civil Solutions**

*See Following Page*



*Northeast  
Civil  
Solutions, Inc.*

153 U.S. Route 1  
Scarborough, Maine 04074  
(800) 882-2227/ (207) 883-1000  
FAX: (207) 883-1001

*Memorandum*

TO: Developer's Collaborative

FROM: Denise Cameron, P.E. & Lee Allen, P.E., Northeast Civil Solutions, Inc.

DATE: April 9, 2008

RE: Feasibility Study for Falmouth Workforce Housing

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Thank you for contacting Northeast Civil Solutions, Inc. (NCS) regarding the Workforce Housing Project at 61 Woods Road, Falmouth, Maine. We enjoyed meeting with you to discuss the project. The following memo summarizes the findings from our site walk on March 27, 2008 and subsequent conceptual design/research activities:

Existing Conditions

The site contains approximately 24 acres of forested land, with a stream (identified as Scitterygussett Creek) bisecting the property and a cluster of potential vernal pools east of the stream. The town has constructed a police station with associated parking and utilities near Woods Road. During the site walk, several signs of ledge were discovered throughout the parcel.

Areas Available for Development

The topography and natural features of the site dictate a development that is segmented into three areas. The first/front area consists of the police station and associated stormwater infrastructure. The second/middle area is relatively small and will require a tightly clustered layout, the third/rear area is across the stream. This area has the largest area of land available for development. Unfortunately, it is also the most expensive because of the cost to construct infrastructure from Woods Road.

Stormwater

In general, stormwater drains towards Scitterygussett Creek. This creek flows into the wetland located near the northern boundary, crosses Woods Road, flows south across an abutting property, then crosses Woods Road again and flows behind the police station.

The proposed development will likely have more than 3 acres of impervious area. Consequently, it will qualify for a Site Location of Development Act (SLODA) permit. When a project qualifies for SLODA, it must meet both flooding (detention) and quality (treatment) standards. The Town of Falmouth requires that proposed developments must control flooding for the 100-year storm event. By

comparison, the DEP requires sizing for a 25-year storm event. The large amount of impervious area required to develop the site will result in a substantial increase in stormwater runoff. To account for this increase in runoff, a large pond(s) will be required to store the increase in runoff. These ponds can be designed to include gravel filters that will treat the stormwater to Maine DEP standards. Buffers and rain-gardens should also be considered to supplement treatment, and thereby reduce the size of the pond.

The development associated with the existing police station is slightly less than an acre in size. Consequently, no stormwater treatment or detention was required by the Maine DEP during its construction. However, the DEP will require that a developer treat/detain the water from the police station if further development of the site is to occur. Consequently, the stormwater infrastructure proposed for the Workforce Housing Development must also be sized and positioned to handle stormwater runoff from the police station. NCS estimates an additional cost of \$60,000 to \$80,000 to treat the stormwater from the existing police station. The requirement to treat the police station's runoff increases the size of the pond and dictates the pond location; thereby decreasing design flexibility and reducing the amount of land available for development.

### Stream Crossing

In order to gain access to the land in the third/rear parcel, the access road must cross Scitterygussett Creek. The creek currently flows through two 24" culverts where it crosses Woods Road. These existing culverts provide a good reference point when sizing the development's crossing. A culvert crossing of this type would likely qualify for a Natural Resource Protection Act (NRPA) Permit By Rule. NRPA permits are reviewed by both the DEP and Army Corps of Engineers. As an alternate, the developer could construct a large concrete arch culvert to span the creek without impacting the wetland. This option is more expensive, but eliminates the need for a NRPA permit.

### Vernal Pools

The Town of Falmouth commissioned a study of the potential vernal pools on site. This study indicated that the pools did not meet the abundance criteria necessary to be considered "significant vernal pools." If a vernal pool is not significant, the DEP treats it as a typical freshwater wetland.

Marybeth Richardson of the DEP has stated that the DEP will likely require the developer to conduct a second study of these wetlands to confirm the town's findings as part of the SLODA process. Vernal pools change significantly over time, and thus the classification of these pools may have changed since they were originally studied. The Army Corps of Engineers does not classify pools based upon abundance. If they obtain jurisdiction through the NRPA process, they may review these pools on an individual basis. Once they obtain jurisdiction, the Army Corps has the right to enforce buffers around these pools. The Army Corps also provides guidance and recommendations to the Maine Department of Inland Fisheries and Wildlife (IF&W). IF&W will be reviewing the plan under the SLODA permit.

### Buffers

In addition to the potential buffers described in the above section, buffers will be required around the stream and wetlands onsite. IF&W has indicated that they will enforce a 100-foot "no disturbance" buffer around all wetlands associated with the stream. Only a road crossing will be permitted in this space. In addition, the Town of Falmouth will enforce a 50' buffer around any wetland greater than 4,000 square feet. Although stormwater infrastructure and road crossings will be permitted in the town buffer, no building construction will be allowed.

### Utilities

Public sewer and water mains are stubbed out at the end of the existing drive apron. Preliminary calculations indicate that the sewer will be able to drain via gravity. The rear parcel will drain to a drop

manhole after passing over the creek. The sewer will cross the stream between the top of the culvert/concrete arch and the road sub base. The sewer line will be insulated at this area to reduce the potential for freezing. After crossing the stream, the sewer will drain at minimum slope to the existing stub.

#### Roads and Site Grading

A development of this size and configuration will result in 2,400 to 3,000 linear feet of road (Approximately 900 feet of which is in the first phase). Unfortunately, the large amount of ledge that appears to be present onsite will make road construction expensive. Furthermore, the narrowness of the lot results in some degree of single loaded roads, which also increases the project costs.

#### Construction Costs

Road and utility construction in a site with ledge will cost approximately \$450 per foot; resulting in a road construction cost of \$1.08 to \$1.35 million dollars. In addition, the sites will require grading to prepare them for building construction. Site grading/preparation costs for each unit was estimated to be \$15,000. When combined with the costs of the stream crossing and stormwater infrastructure, the total site construction costs are approximately \$2.2 to \$2.5 million dollars. Please note that these estimates are very conceptual at this point, and should be revisited after a layout is developed and a soil investigation is performed.

NCS hopes that this information will be of assistance. As always, please feel free to contact us at anytime with questions or comments.