

June 19, 2014

Community Preservation Committee
c/o Alice Ingerson, Community Preservation Program Manager
Newton Planning and Development Department
Newton City Hall, 1000 Commonwealth Avenue
Newton, MA 02459

Dear Alice, Chairman Feinberg, Vice Chairman Robertson and members of the Committee,

Since we last presented to the CPC Board we have made several changes to our development plan for the rehabilitation of the Nathaniel Allen House. The changes come from realizing that it will take us time to raise our capital campaign funds, that the capital campaign will benefit from early activity and accessibility to the Nathaniel Allen House, and by a realization that the Suzuki School cannot help us bring debt financing to the project. Most importantly, we are now moving forward on a phased approach that will allow us to begin utilizing the building in the Fall of 2014, with two additional planned building segments that will fully rehabilitate, first, the House and grounds, and second the Barn.

When we first approached the CPC, we were working closely with the Suzuki School of Newton who were interested in utilizing most of the Barn and House for its school and pre-school. We thought that the Suzuki School could help us finance the development budget of approximately \$4.75 million. Unfortunately, the Suzuki School cannot help us with the financing and we have taken a different course that requires us to break up the rehabilitation into several phases.

We believe that our phased approach is realistic and achievable. Our goal is to bring life to Nathaniel Allen House and develop a revenue plan that can operate the building and assure the City and the CPC that NCA has a long-term plan that will not look to the City for ongoing subsidies.

1a. Phase 1/Part 1 - \$300,000 in the Fall of 2014 to add initial accessibility to the Nathaniel Allen House, shore up the collapsing wall of the Barn and allow for use of the first and second floors of the House by Newton Cultural Alliance and New Philharmonia for offices and for events for NCA members and community users. The two named entities will generate lease revenue of \$20,000 per year. Other interested users are projected to provide the additional revenue indicated on the 10 year operating budget. (See attached addendum for list of interested potential users to date.) NCA has already raised and used \$350,000 of its own funds to purchase and do some minimal work on the property. NCA has borrowed an additional \$350,000 from Village Bank for pre-development work. We need an additional \$300,000 to complete Phase 1/Part 1 of the work to begin using the building in the Fall of 2014 which will allow revenue generating activity on the site and for this historic gem to begin to come alive.

1b. Phase 1/Part 2 - \$2.4 million in the Spring/Summer of 2015 to complete rehabilitation of the Nathaniel Allen House, add an elevator and shore up the connecting building between the House and the Barn. We have received \$300,000 of Massachusetts Historic Tax Credits and have applied for additional credits. These credits will generate \$400,000+ of equity for the project.

2. Phase 2 - \$850K to rehabilitate the Barn. Source of funds – additional MA Historic Tax Credits, capital campaign funds, additional CPC and MA Cultural Council Cultural Facilities funding.

This is a general summary of the Allen House changes in recent months. We would like to appear before the CPC in July and request that a vote be taken to recommend our \$2,000,000 request to the Board of Aldermen for consideration. We are grateful for the opportunity to engage with the CPC in a dialogue on our proposal and would be most appreciative of any feedback to help us move forward.

Sincerely,



Adrienne Hartzell
Interim Managing Director
Newton Cultural Alliance

Allen House - June 2014

		Uses (May 2014)		Sources (May 2014)		
schedule		locations & scope of work	cost			
Phase 1						
Part 1	by fall 2014	Purchase building. Make floors 1 and 2 of the main house usable for nonprofit offices, education, public programs; shore up failing barn wall	\$350,000	Capital Campaign Funds received	\$350,000	9.000%
		Temporary access, handicapped bath, systems repair, safety repairs	\$300,000	CPC	\$300,000	8.000%
Subtotal	Phase 1, Part 1		\$650,000		\$650,000	
Part 2	by spring/ summer 2015	rehabilitate exterior of main house and servant's wing and install elevator, some landscape	\$2,400,000	CPA	\$1,300,000	33.000%
				MCC and/or private funding	\$600,000	15.500%
				State historic tax credits	\$500,000	13.000%
Subtotal	Phase 1, Part 2		\$2,400,000		\$2,500,000	
Phase 2						
		rehabilitate ground & 2nd floors of barn as multi use small theater, gallery, classroom	\$850,000	CPA	\$400,000	10.000%
				State historic tax credits	\$200,000	5.000%
				MCC and/or bank/private funds	\$250,000	6.500%
Subtotal	Phase 2		\$850,000		\$850,000	
TOTAL			\$3,900,000		\$3,900,000	100.0%

**Nathaniel Allen House
10 Year Operating and Maintenance Budget**

as of Nov 14, 2013 Account Data	Actual FY13	Budget FY14	Forecast FY15	Forecast FY16	Forecast FY17	Forecast FY18	Forecast FY19	Forecast FY20	Forecast FY21	Forecast FY22	Forecast FY23	Forecast FY24
INCOME												
Allen House Donations - Friends org		\$ 25,000	\$50,000	\$40,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
TOTAL Donations		\$ 25,000	\$50,000	\$40,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Newton Cultural Alliance			\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Newton Philharmonia			\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Other rentals			\$12,000	\$20,000	\$25,000	\$30,000	\$45,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
TOTAL Building rental income			\$32,000	\$40,000	\$45,000	\$50,000	\$65,000	\$74,000	\$74,000	\$74,000	\$74,000	\$74,000
TOTAL Income		\$ 25,000	\$82,000	\$80,000	\$90,000	\$95,000	\$110,000	\$119,000	\$119,000	\$119,000	\$119,000	\$119,000
EXPENDITURES												
<i>Annual Contracts</i>												
Cleaning-regular	\$ -	\$ 300	\$1,000	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628	\$5,796	\$5,970	\$6,149	\$6,334
Cleaning Supplies	\$ -	\$ 100	\$200	\$500	\$513	\$525	\$538	\$552	\$566	\$580	\$594	\$609
Fire Alarm	\$ -	\$ 1,500	\$2,500	\$2,563	\$2,627	\$2,692	\$2,760	\$2,829	\$2,899	\$2,972	\$3,046	\$3,122
Trash removal	\$ -	\$ 5,000	\$5,125	\$5,253	\$5,384	\$5,519	\$5,657	\$5,798	\$5,943	\$6,092	\$6,244	\$6,400
TOTAL Annual Contracts	\$ -	\$ 6,900	\$8,825	\$13,316	\$13,674	\$14,041	\$14,419	\$14,806	\$15,205	\$15,614	\$16,034	\$16,466
<i>Repairs and Maintenance</i>												
Electrical	\$ -	\$ 800	\$824	\$1,000	\$1,025	\$1,051	\$1,077	\$1,104	\$1,131	\$1,160	\$1,189	\$1,218
Fire Extinguishers	\$ -	\$ 100	\$250	\$500	\$513	\$525	\$538	\$552	\$566	\$580	\$594	\$609
Heating & Plumbing	\$ 830	\$ 1,200	\$1,236	\$2,000	\$2,050	\$2,101	\$2,154	\$2,208	\$2,263	\$2,319	\$2,377	\$2,437
Locks/Keys	\$ -	\$ 500	\$515	\$250	\$256	\$263	\$269	\$276	\$283	\$290	\$297	\$305
Painting	\$ -		\$0	\$500	\$513	\$525	\$538	\$5,000	\$6,000	\$7,000	\$8,000	\$9,000
Misc Repairs	\$ -	\$ 2,500	\$2,575	\$1,500	\$1,538	\$1,576	\$1,615	\$1,656	\$1,697	\$1,740	\$1,783	\$1,828
TOTAL Repairs and Maintenance	\$ 830	\$ 5,100	\$5,400	\$5,750	\$5,894	\$6,041	\$6,192	\$10,795	\$11,940	\$13,088	\$14,241	\$15,397
<i>Utilities</i>												
Electricity	\$ 234	\$ 600	\$1,000	\$12,000	\$12,300	\$12,608	\$12,923	\$13,246	\$13,577	\$13,916	\$14,264	\$14,621
Oil	\$ 8,937	\$ 10,000	\$12,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gas				\$15,000	\$15,375	\$15,759	\$16,153	\$16,557	\$16,971	\$17,395	\$17,830	\$18,276
Water / Sewer	\$ -	\$ 500	\$1,000	\$2,000	\$2,050	\$2,101	\$2,154	\$2,208	\$2,263	\$2,319	\$2,377	\$2,437
TOTAL Utilities	\$ 9,170	\$ 11,100	\$14,000	\$29,000	\$29,725	\$30,468	\$31,230	\$32,011	\$32,811	\$33,631	\$34,472	\$35,334
<i>Insurance/Permits</i>												
Permits & Licenses		\$ 250	\$400	\$500	\$513	\$525	\$538	\$552	\$566	\$580	\$594	\$609
Property Insurance	\$ 11,000	\$ 12,000	\$12,300	\$9,500	\$9,738	\$9,981	\$10,230	\$10,486	\$10,748	\$11,017	\$11,293	\$11,575
TOTAL Insurance/Permits	\$ 11,000	\$ 11,500	\$12,700	\$10,000	\$10,250	\$10,506	\$10,769	\$11,038	\$11,314	\$11,597	\$11,887	\$12,184
<i>Other expenses</i>												
Property Manager			\$10,000	\$15,000	\$15,375	\$15,759	\$16,153	\$16,557	\$16,971	\$17,395	\$17,830	\$18,276
Mortgage Payment			\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Interest Expense - credit line	\$ 1,416	\$ 3,400	\$3,570		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL Other expenses	\$ 1,416	\$ 3,400	\$ 13,570	\$ 27,000	\$ 27,375	\$ 27,759	\$ 28,153	\$ 28,557	\$ 28,971	\$ 29,395	\$ 29,830	\$ 30,276
TOTAL Expense	\$ 22,416	\$ 38,000	\$ 54,495	\$85,066	\$86,917	\$88,816	\$ 90,763	\$ 97,207	\$ 100,241	\$ 103,326	\$ 106,464	\$ 109,656
			\$27,505	(\$5,066)	\$3,083	\$6,184	\$19,237	\$21,793	\$18,759	\$15,674	\$12,536	\$9,344

Newton Cultural Alliance
Allen House Project
Community Preservation Program Application
Addendum – June 2014

The organizations listed below have expressed interest in Allen House usage for a fee appropriate to their use – whether for offices, programs, instruction, events.

Potential tenants - offices

Newton Cultural Alliance
New Philharmonia Orchestra
Pro Arte Chamber Orchestra

Potential renters – rehearsals, programming, visiting artist series and events

All of the above plus

Specific organizations:

NewTV
New Center for Arts and Culture
Satellite space for New Art Center, YMCA
Boston Ballet
Scandinavian Cultural Center
Boston Bluegrass
Newton Nomadic Theater

Non-specific uses

Small NCA performing arts members for rehearsals and small programs
Private teacher recital space
After school programming – community need – arts/cultural enrichment program
Private individuals for social events up to 75 people