



**VERMONT AGENCY OF HUMAN SERVICES
DEPARTMENT OF HEALTH AND
DEPARTMENT OF DISABILITIES, AGING AND INDEPENDENT LIVING**

**REVISED CERTIFICATE OF APPROVAL APPLICATION
COVER PAGE**

Applicant: Counseling Service of Addison County, Inc.

Project Title: Catamount West building project and 89 Main Street addition and renovation

Principal Contact: William Claessens

Address: 89 Main Street Middlebury
(street) (town/city)

Addison VT 05753
(county) (state) (zip code)

Telephone #: 802-388-0302 x468

PROPOSED PROJECT TYPE & AMOUNT

- Capital expenditure exceeding \$1,500,000 for construction, development or purchase of property or existing structure
- Purchase of a technology, technology upgrade, other equipment or a renovation with a cost exceeding \$1,000,000
- The offering of a health care service having a projected annual operating expense that exceeds \$500,000. for either of the next two budgeted fiscal years, if the service was not offered by the health care facility within the previous three fiscal years.

A) Proposed Capital Expenditure (Total Table 1) \$3,560,702 (includes land and equipment)

B) Proposed Lease Amount (payment times term) \$ _____

I certify to the best of my knowledge and belief, that the information in this application is true and correct and that this application has been duly authorized by the governing body of the applicant.

CERTIFYING OFFICIAL: _____
(Name & Title)

SIGNATURE: _____

DATE: _____

A) NARRATIVE: PROJECT OVERVIEW AND DETAILS

The Counseling Service of Addison County (CSAC) is proposing to construct a building of approximately 19,500 sq. ft in Catamount Park, off Exchange Street in Middlebury, Vermont. This new building will house our developmental services program, Community Associates (currently located at 61 Court Street in Middlebury) and our administrative offices. It will be a two story building containing 15,000 sq. ft. of office and conference space, plus another 4,500 sq. ft. of usable finished basement office space with the remainder of the basement to be used for programmatic storage needs. CSAC already owns a 6,800 sq. ft. office building in Catamount Park and rents another one nearby (the rented building will no longer be needed once the proposed building is constructed). Moving the administrative offices into the new building from the present Catamount building will enable that building to be exclusively the home for our Youth and Family Services program. The new, larger building will accommodate multiple needs and create significant efficiencies for our operations (lower rental costs, less travel time and cost, opportunities for better teaming, etc.). This new Catamount Park building will serve as the base for our work as we support people with developmental disabilities in leading productive, integrated lives in their communities. It will be a fully accessible, energy efficient, low maintenance building and will replace the cramped, converted house where Community Associates is now located, as well as eliminating the space currently being rented for the employment program.

In addition to the new Catamount Park building, CSAC also plans to construct a two story addition with basement at our 89 Main Street building in downtown Middlebury. This will provide approximately 2,500 additional sq. ft. in office space for outpatient mental health programs (including CRT, Adult Outpatient Services and Psychiatry). This addition will include a basement for storage as well as an elevator making the addition fully accessible and dramatically improving accessibility to the existing building, which will also be extensively renovated. Besides improving access to the first and second floors, the renovations will enhance safety through installation of a sprinkler system, and improve heating and cooling by upgrading mechanical equipment. The proposed construction and renovation projects at 89 Main Street will give clients better and more timely access to services, while locating more staff in a central location. The employment program for consumers with severe and persistent mental illness (the Addison County Employment Service) will be relocated to 89 Main Street from its present rented location across town. This will improve provision and coordination of care for these consumers.

a) We expect construction on the new Catamount Park building to extend from April 2008 to November, with the 89 Main Street project beginning at some point during that time.

b) Please find included with this Certificate of approval application a schematic drawing for the proposed Catamount and 89 Main Street facilities.

c) There are many programs being moved as a result of these two projects. The following is an estimated breakdown of the existing and proposed net and gross square feet for each program affected by the projects.

Square feet by department for both projects:

	Existing	Increase/-decrease	Anticipated Proposed
DS	4536	2585	7121
Youth and Family	8209	-450	7759
CR&T	3687	1326	5013
Adult	2812	122	2934
Psychiatry	1992	-116	1876
Admin	5202	2189	7391
Total	26438	5656	32,904

d) CSAC has been working with the architect firm Scott + Partners in designing the proposed projects, and we plan to work with The Redstone Group for the construction of the Catamount Park building. The contractor for the 89 Main Street project has not yet been identified. Both of those companies have been instructed to comply with State of Vermont and/or Federal accessibility requirements as they design and execute the projects. The Building Committee of our Board of Directors includes a retired architect who is assisting with the design plan. CSAC also has a Facilities Manager who will be reviewing the design and construction features to ensure that State and/or Federal standards are observed.

e) It is our understanding that the following permits will be required:

Catamount Park building:

A local zoning permit and any other permits the town of Middlebury may require.

We do not anticipate needing any regional planning permits.

State permits required include a storm water permit amendment, a water supply/waste water disposal permit, a Labor and Industry permit for the building, and a general construction permit (dealing with erosion control)

89 Main Street project:

A local zoning permit and any other permits the town of Middlebury may require.

We do not anticipate needing any regional planning permits.

State permits required include a water supply/waste water disposal permit and a Labor and Industry permit for the building.

B) NARRATIVE: GENERAL CRITERIA

Relationship of Proposed Project to Strategic Plan and Statement of Need

The proposed Catamount Park project is a response to the 2003/04 Designated Agency re-designation process for CSAC. During that review it was noted that accessibility to some of our buildings was limited and did not meet ADA standards, especially at several of our DS program locations. The proposed project will provide fully accessible space for these programs in response to our re-designation report. Accessibility is also a critical element in the mission of our organization and its System of Care Plans, as we seek to do everything we can to meet the needs of the people who depend on us day to day.

The proposed 89 Main Street building and renovation project is also partly a response to the 2003/04 Designated Agency re-designation process, which pointed to the need for expanded accessible space for our consumers and staff to accommodate mental health program growth and improve health and safety at this building. The proposed project at 89 Main Street will greatly increase the accessible space for serving our consumers, and reduce waiting times for service.

Organizational Structure, Affiliations and Operations

The Counseling Service of Addison County is a Vermont Mental Health and Developmental Services Designated Agency and a 501(c)(3) not-for-profit organization.

Public Input Sought

The Board of Directors of CSAC and also our local consumer Standing Committees fully support the proposed projects. The Board has conducted a very successful capital campaign - *Building for a Caring Community* – which has raised \$650,000 toward the projects. The capital campaign has reached out to the wider community, enabling us to tell the story of the critical services our agency provides. We have done this through visits with individuals and business and community leaders, presentations to civic and business groups, and articles and interviews in the news media. Meetings are occurring with appropriate town of Middlebury boards and committees regarding both projects and our plans will be refined in response to these meetings as well as the COA application process.

Financial Feasibility and Impact Analysis

The attached financial tables are based upon estimates that CSAC believes are conservative. The actual cost of the projects is anticipated to be lower due to several factors including but not limited to the following: the construction contractor will be competitively bidding out sub-contractor work hence actual costs should be lower than estimates, and choices and decisions to be made by CSAC as we proceed during the process should also lower cost. In addition to anticipated lower costs, the Counseling Service is contributing to the financial feasibility of these projects in three ways:

- First, CSAC has completed a successful capital campaign which has raised over \$650,000 in support of both of these projects.
- Second, we have included net proceeds of \$200,000 from the anticipated sale of an existing piece of property. This may be conservative as the property may sell for a higher amount and hence improve the financial impact.

- Third, CSAC is planning to contribute from capital reserves funds to purchase land and cover a portion of the construction costs.

These three “contributions” mean that CSAC will not have to finance the entire project, thus lowering the financing costs. To further reduce the financial impact, CSAC plans to participate in a fall, 2007 Designated Agency bond issue at an average fixed interest rate of 5% over 30 years; however in many of the early years the rate will be lower than 5%. Participating in this bond issue will enable CSAC to save dollars and reduce our expense over the next 30 years when compared to a commercial loan.

An alternative to the Catamount Park project was to renovate the existing building housing our Community Associates program, an old house at 61 Court Street. This alternative would not provide complete accessibility, would be more costly per sq. ft. and would not provide sufficient space for our program needs.

We believe the Catamount project is a good value because we have already constructed one building at Catamount Park at a reasonable price, and constructing another building near the existing one will enable efficiencies that should increase productivity and save dollars. Information systems will be better integrated, mail delivery will be concentrated at two instead of four locations in Middlebury, and more staff will be working in closer proximity to one another, saving travel time and improving communications.

We have opted to retain, enlarge and renovate our 89 Main Street building in order to maintain a visible presence in downtown Middlebury, in a location which is strongly identified with our agency and convenient for many of our clients, many of whom walk to their appointments.

The estimated costs for the Catamount Park project are detailed as follows:

Building new construction (15000 sq ft)	\$1,663,950
Basement level (4500 sq ft useable finished office space; program storage)	\$276,000
Building Total	\$1,939,950
Site work	\$345,000
Building and Site Total	\$2,284,950
Project costs (engineering, architectural, legal, permitting etc)	\$150,000
Debt financing costs	\$119,896
Land	\$200,000
Total Estimated costs including land	\$2,754,846

Project Costs per Square Foot of Construction Area of 19,500 sq ft.....\$141.27

The methods of the proposed construction for the Catamount Park project will be on a contractual basis. A current condition of an in process real estate purchase and sale agreement obligates CSAC to enter into a construction contract with the seller of the land for any improvements on the property. This would be a “turn-key” construct project. It is currently understood that within that construction contract that a provision will be included regarding pricing and service will be on an “open book” basis and that the maximum construction fee will be 5% of the total cost of construction.

The estimated costs for the 89 Main Street project are detailed as follows:

Building addition new construction 2528 sq ft @ \$130 per sq ft.	\$328,636
Renovated affected area 1476 sq ft @ \$62 per sq. ft.	\$91,792
Elevator allowance	\$65,000
Fit up allowance	\$25,000
Building Total	\$510,428
Site work Excav. Mats. Grade, Restore, includes walks pavmt, grading	\$12,000
Wet tap, Waterline, Excav	\$18,000
Landscaping	\$3,000
Site Total	\$33,000
Building and site Total	\$543,428
Construction contingency and inflation – added into estimate by CSAC (25% on building & site costs)	\$135,857
Project costs (engineering, architectural, legal, permitting etc)	\$81,571
Total Estimated costs	\$760,856
Project Costs per Square Foot of Construction Area of 4,004 sq. ft. Which does not include the basement area.....	\$190.02
The estimate CSAC received for the 89 Main Street project did not have a construction contingency and inflation line item of 25% if it were not included the cost per sq. ft. would be	\$156.19

The proposed construction and renovation for the 89 Main Street project will be by competitive bid.

The above estimated costs for both projects are demonstrated to be reasonable and compare to the following project costs in the Addison County area as reported by Scott and Partners Architects which provided an "Opinion of Probable Construction Costs" for an Addition and Alterations to:

Deming House Renovation, 36-38 Washington St. Middlebury, VT (2007)

Total Project Costs (incl. soft costs, fees, excl. land purchase)	\$717,289
Total Renovation Area: Approx.....	5,100 SF
Project Costs per Square Foot of Construction Area.....	\$140/SF

Middlebury South Village Apartments (New Construction) Middlebury, VT (2007)

Construction Contract (incl. Site Work, excl. land, Dev fees.)	\$3,963,087
Total Construction Area: Approx.....	33,762 SF
Construction Costs per Square Foot of Const. Area.....	\$117/SF
Estimated Soft Costs at 15 % of Construction (Eng., Testing, Arch., Print, Permitting, Legal etc.).....	\$595,000
Total Project Costs (incl. soft costs, fees, excl. land purch)	\$4,557,550
Project Costs per Square Foot of Construction Area.....	\$135/SF

NOTE: The Estimated Project Cost per square foot of construction area for 89 Main Street is higher in comparison partly due to inflation over time, but primarily due to smaller relative size and the lack of "Economy of Scale".

Please complete the following financial tables which are included in Excel format.

<u>TABLE</u>	<u>DESCRIPTION</u>
1	Project Costs
2	Debt Financing Arrangement: Sources & Uses of funds
3A	Income Statement: Without Project
3B	Income Statement: Project Only
3C	Income Statement: With Project
4A	Balance Sheet-Unrestricted Funds: Without Project
4B	Balance Sheet-Unrestricted Funds: Project Only
4C	Balance Sheet-Unrestricted Funds: With Project
5A	Statement of Cash Flows: Without Project
5B	Statement of Cash Flows: Project Only
5C	Statement of Cash Flows: With Project