



## **Project Narrative: 180 – 184 Pearl St.**

### Project Overview and Details

Howard Center has executed a Purchase and Sale agreement for a building located at 180-184 Pearl Street in Burlington, Vermont as a result of being offered the opportunity to purchase the property directly from the current owner.

The property includes a 1 to 3 story mixed use, commercial, and apartment building. It is approximately 12,922 square feet on 0.34 acres. The location is centrally located to Burlington on the fringe of the central business district with the Church Street Marketplace immediately southwest. This building is the current location of Howard Center's Act 1 (public inebriate) and Bridge (short term stabilization and detoxification) programs. The property also leases commercial space to a salon and leases nine residential units/apartments.

The current purchase is projected at a total cost of \$1,540,923 including title insurance, recording costs, due diligence, transfer tax, and purchase price. There are no planned renovations.

### General Criterion I: Local Governance Support and Relationship of Proposed Project to Agency Strategic Plan

Howard Center believes purchasing this very desirable property is a strategic financial investment that aligns with the agency's vision and strategic plan. Acquisition of this site has the potential to allow us to further co-locate services, an objective of our Strategic Plan Internal and External Service Integration efforts. It provides geographic location stability for our Act 1 and Bridge programs for which proximate location to both the police department and hospital are key and gives us control over future cost supporting our Strategic Plan Financial Stability efforts. Lastly, it affords us an opportunity to consider how we might leverage the apartments in support of our clients in the future and in alignment with DAIL and DMH future vision and ten-year plan.

The project has been reviewed and approved by the agency's Board of Directors, Board Finance Committee, and the Substance Use Disorder Standing Committee.

### Criterion II: Need for the Proposed Project

*See General Criterion I*

Criterion III: Organizational Structure, Affiliations and Operations

Howard Center, a designated agency, is the applicant for this COA. The property will be held by a Limited Liability Corporation (LLC), of which Howard Center will be the sole member, to isolate its finances and minimize liability. There will be limited impact on Howard Center administrative staff who will manage the LLC with the LLC reimbursing Howard Center for the cost of those services thus ensuring state funding is not supporting operations unrelated to state funded service provision. Current projections for operations anticipate an annual surplus of which a reserve amount will be held by the LLC for maintenance and capital investment with any balance being distributed to the member (Howard Center).

Criterion IV: Financial Feasibility and Impact Analysis

Our analysis and resulting projections indicate this property to be self-sustaining financially with compounding potential future financial return as the property appreciates. The property will fully funded with private donations. As such, no debt will be incurred and there is no increase in cost to the agency. Attached are the required financial tables. Please note FY20 figures are projected as we work to finalize year end numbers.