

**TOWN OF WAYLAND**  
**REQUEST FOR PROPOSALS (RFP) #16-12**  
**RIVER'S EDGE WAYLAND**  
484-490 Boston Post Road, Wayland

**RIVER'S EDGE ADVISORY COMMITTEE (REAC)  
BID SELECTION RECOMMENDATION  
TO BOARD OF SELECTMEN**

**Board of Selectmen Meeting  
October 17, 2016**

1. REAC Chronology
2. REAC Bid Selection Recommendation
3. Site Plans
4. Financial Bid Comparison
  - a. Bid and Project Comparison
  - b. Long-Term Financial Analysis Comparison
  - c. Bidder Submittals (excerpts)



*Town of Wayland, 41 Cochituate Road, Wayland, Massachusetts 0177*



## 1. REAC Chronology

- August 2014 – Board of Selectmen (BOS) appointed 9 member River's Edge Advisory Committee (REAC). Since inception, 2 members resigned and 1 was replaced.
- September – REAC decided to engage special counsel. After advertising, RFP and deliberation, REAC chose Anderson & Kreiger (A&K).
  - REAC toured projects in the area similar to project expected to be constructed here.
  - Worked with A&K to develop criteria for a Request for Proposal (RFP) and compliance with Sec 30(b) of MA laws.
  - REAC reviewed and addressed the following issues relevant to drafting the RFP:
    - Finalization of agreement with Sudbury regarding septage facility.
    - Structure of transaction- sale or lease.
    - Transfer of land from DPW to BOS.
    - Appeal on control of access road
    - Approval of ANR plan by Planning Board.
- December – first draft of RFP, LDA and Design Guidelines completed.
- February 2015 – Met with DEP re: modification of prior definition of land use, to permit housing.
- March – Presented draft of RFP to BOS for approval and requested decisions re: structure of transaction, and BOS application to DEP to modify definition of land use. BOS decided in favor of sale and approved application to DEP.
- March–August – Conducted discussions with A&K to complete RFP, LDA and Design Guidelines and issued RFP on Sept 2. Secured presumptive approval from DEP for housing uses on site.
- September – Held forum for respondents and conducted tour of site.
- December – Deadline for bids. No bidders.
- January 2016 – Circulated request for comments from respondents and held forum. Learned that bidders' major concern was undertaking significant due diligence efforts (and costs), prior to any certainty of designation. Concerns also raised about potential rigidity of Design Guidelines.
- February – Redrafted RFP to accommodate primary concern: Instead of requiring bidders to complete due diligence prior to bid, they were to bid with gross purchase price, less estimates of the 4 principal site costs, to arrive at net purchase price/bid. Due diligence would now take place after the bid award for 90 days and if estimates prove to be low, they can request an adjustment to price that would have to be verified. The Design Guidelines were also revised to emphasize they were guidelines, not absolute rules.
- April – The RFP was reissued, advertised and registered.
- May – A forum was held for developers and a site tour conducted.
- July – Deadline for submission of bids. Non-price proposals opened. Received 2 complete bids.
- August – Held interviews of bidders with specific questions. Voted on non-price proposals.
- August 15 – Price proposals opened. Elected to conduct another round of interviews.
- September 2016 – Conducted interviews. Conferred with A&K regarding legal questions. Voted on price proposals and final choice of developer.

## 2. REAC Bid Selection Recommendation

To: Town of Wayland Board of Selectmen

From: River's Edge Advisory Committee

Date: October 17, 2016

Re: River's Edge Bidder Selection Recommendation

The River's Edge Advisory Committee (REAC) is pleased to report to the Board of Selectmen that the River's Edge RFP received two very strong bids from qualified respondents to develop the River's Edge property. Either party would, in REAC's estimation, result in a successful project that would deliver significant tax revenues to the Town for years to come.

Both bids were evaluated, and while offering different net purchase prices up front, they both offer similar long-term financial benefit to the Town based on the net present value of initial net purchase price plus ongoing tax revenue.

At the end of deliberations, REAC's unanimous preference was to select Wood Partners' bid based on their superior design, quality of community, and intended level of improvements proposed for the site:

- Wood Partners is a national firm which has developed over 55,000 units to date, including eight properties in Massachusetts with over 1500 units, and acts as property manager for over 13,000 of its units. Baystone Development is a Boston-area-based developer with many successful local projects, including Cronin's Landing in Waltham and 730-acre Legacy Farms in Hopkinton, and is owned by Wayland resident Roy MacDowell. Both bidders provided excellent large-scale development experience and portfolio.
- Both bidders utilized The Architectural Team (TAT) for design services, although different TAT partners managed design efforts, for decidedly different results, which was interesting to see for the project.
- Wood Partners provided a more compelling design in terms of site massing, amenities and community identity, with porches and courtyards conducive to Wayland scale and to an age-diverse community on site. Three buildings rather than four provides better identity and visual variation from Route 20. A major portion of its parking is located underground, underneath all three buildings. While not a deciding factor, nor a requirement of the Design Guidelines, this contributed to the reduced amount of visible surface parking areas and visual appeal of the project from Route 20. Landscape planning was well-detailed and attractive. The senior component of the project was better integrated into the overall community.

Overall, the Wood Partners project was unanimously deemed, on a purely qualitative basis (before financial bids were opened), the superior proposal of the two as the new western front door for the Town along Route 20.



- The Baystone design proposed massing with four building wings perpendicular to Route 20 versus Wood Partners' three. While technically meeting zoning, Baystone's proposed design did not necessarily follow the spirit of the Design Guidelines as it related to building massing (four stories were desired only in the rear quadrant of the site per the Design Guidelines; the Baystone design showed half floors creating 4-story east-facing facades throughout the site). Baystone was asked whether they would work with the Town to more closely adhere to the Design Guidelines on massing if requested, and Baystone confirmed they would.
- Wood Partners' proposed site plan included significant grading and excavation. They were asked whether they would be willing to review their design to be more in compliance with the stated goal in the Design Guidelines to follow the existing topography, and they agreed they would.
- One bidder offered, and the other concurred, to share savings with the Town on all four site cost parameters (septage facility demolition, on-site wastewater treatment plant, water main construction, and onsite soils management) versus just the soil removal costs savings outlined in the RFP. So this aspect was consistent between the two bidders.
- Wood Partners had a superior gross market price for the site, however with higher projected costs, predominantly due to higher environmental soil removal costs, this resulted in a lower net sales price bid to the Town. [If cost savings revert to the Town, and with revised grading more in line with the existing topography, as outlined above, these are expected to reduce Wood Partners' site costs to some extent, as more soils can be repurposed on site, thereby increasing their net price to the Town to be more in line with expected values.]

In terms of projected tax revenues, Wood Partners was the superior bidder in annual revenues and therefore long-term benefit in perpetuity, which carries equal, or arguably more, value to the Town versus up front sales proceeds.

With superior long-term tax revenues and superior design, Wood Partners was selected unanimously by REAC as the preferred developer. In addition, if award is based on cost savings reverting to the Town, there is the possibility of improved up front net sales price to the Town based on more efficient grading.

Therefore, REAC recommends awarding to Wood Partners subject to the following conditions:

- Wood Partners shall provide cost savings back to the Town from all four site cost parameters based on actual costs
- Wood Partners shall work with the Town to more closely adhere to the Design Guidelines in terms of grading the site to conform to existing topography, and therefore reuse more soils on site



3. **Site Plans** – Single site plan and elevation for each bidder shown here for reference. For more detail see bidder proposals.

### Baystone Development Site Plan





## Baystone Development Elevation



River's Edge  
© 2010

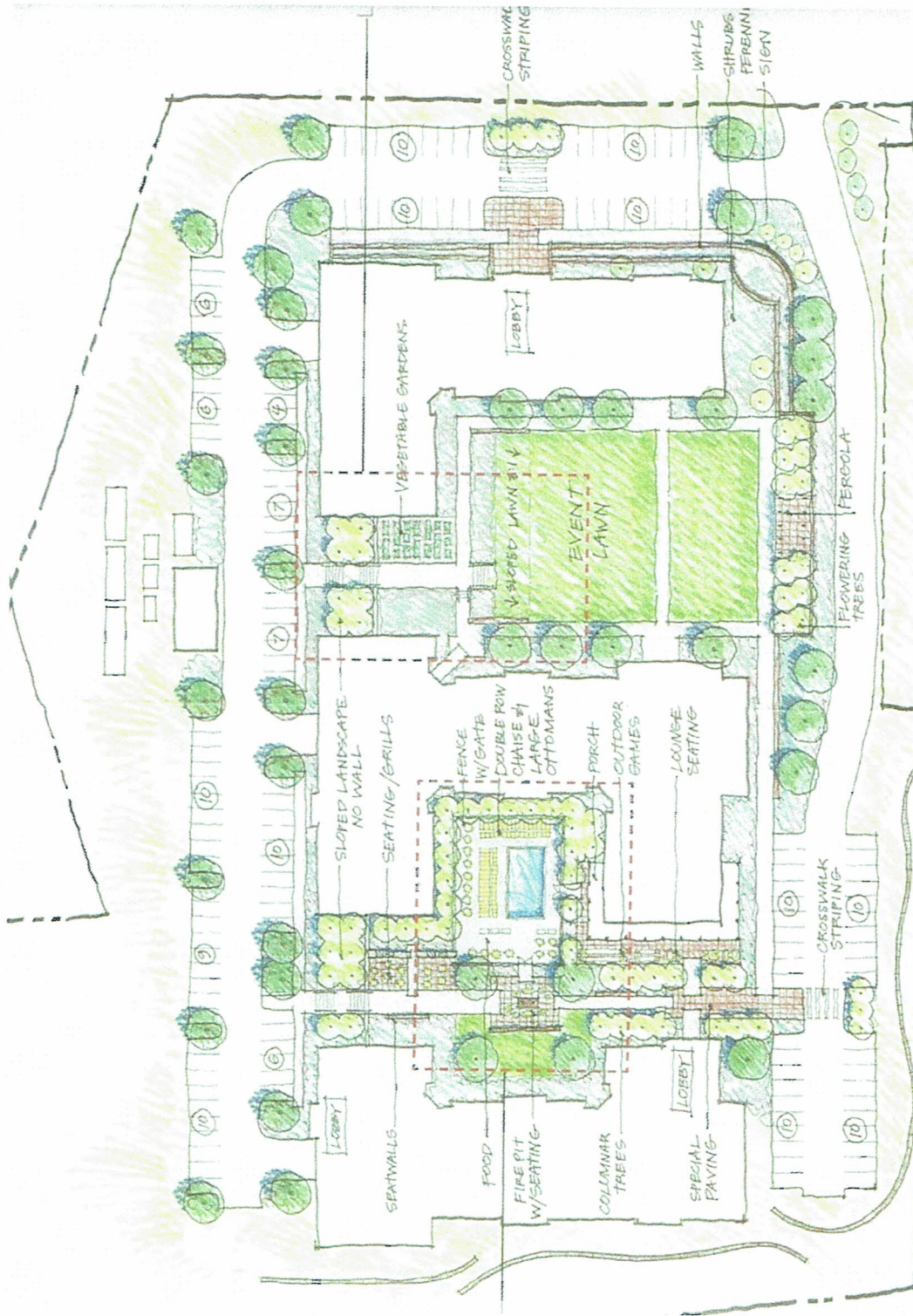
Baystone Development

Baystone Development  
Baystone Development

tat the architectural team



# Wood Partners Site Plan



tat the architectural team  
WOOD PARTNERS

REVISED 2015  
WOOD PARTNERS, LLC  
1000 10th Ave. S.E.  
Atlanta, GA 30316  
404.525.1234  
www.woodpartners.com

Landscape Site Plan



# Wood Partners Elevation



Rendered Perspective  
Front Porch

July 6, 2016  
Site # 10044  
Architectural Team

WP East Associates, LLC  
The Architectural Team



tat the architectural team



Cut  
Land  
WP 1



**4. Financial Bid Comparison**  
**a. Bid and Project Comparison**

# RIVER'S EDGE BID COMPARISON

9/22/2016

## Baystone Development (MacDowell)

Gross Land Purchase Price	\$7,385,000
Less Site Conditions Work:	
Demolition	265,000
On Site Sewer	2,100,000
Water Main	820,000
On Site Soils	960,000
Net Land Price to Town	\$3,240,000

## Wood Partners

	\$8,098,550
	351,876
	2,543,303
	705,261
	2,998,110
	\$1,500,000

## Variance

	713,550
	86,876
	443,303
	(114,739)
	2,038,110
	(\$1,740,000)

## Operating Statement

Revenues:	Qty	Type	Avg SF	Total SF	Avg Rent	Avg Rent/SF	Ann Revenues
Market Rate Apartments	3	Studio	625	1,875	\$1,875	\$3.00	\$67,500
	72	1 BR	865	62,280	\$2,387	\$2.76	\$2,062,204
	64	2 BR	1,255	80,320	\$2,897	\$2.31	\$2,224,804
	2	3 BR	1,400	2,800	\$3,300	\$2.36	\$79,200
	141			147,275	\$2,620	\$2.51	\$4,433,708
Affordable Apartments	2	Studios	625	1,250	\$1,056	\$1.69	\$25,344
	23	1 BR	865	19,895	\$1,311	\$1.52	\$361,811
	21	2 BR	1,255	26,355	\$1,593	\$1.27	\$401,471
	1	3 BR	1,400		\$1,425	\$1.02	\$17,100
	47			47,500	\$16.96	\$16.96	\$805,726
Total Revenue	188			194,775	\$2.24	\$2.24	\$5,239,434
Fee Income							\$105,000
Gross Revenues							\$5,344,434
Less: 5% Vacancy							\$267,222
Effective Gross Income (EGI)							\$5,077,212
Expenses:							
Administrative							59,408
Marketing & Leasing							82,156
Repairs & Maint							207,740
Payroll (Maint & PM)							275,000
Prop Mgmt Fee							126,930
Insurance							75,200
Utilities							169,200
Replacement Reserve							25,000
Real Estate Taxes							815,210
Total Expenses							\$1,835,844
Net Operating Income (NOI)							\$3,241,368
Property Value							\$64,827,366
5% cap rate valuation							\$1,835,844

## Operating Statement

Revenues:	Qty	Type	Avg SF	Total SF	Avg Rent	Avg Rent/SF	Ann Revenues
Market Rate Apartments	67	1 BR	871	58,357	\$2,777	\$3.19	\$2,233,010
	74	2 BR	1,252	92,648	\$3,470	\$2.77	\$3,081,305
	141			151,005		\$2.93	\$5,314,315
Affordable Apartments	23	1 BR	870	20,010	\$1,355	\$1.56	\$374,118
	24	2 BR	1,252	30,048	\$1,498	\$1.20	\$431,554
	0	3 BR					(17,100)
	47			50,058	\$1.34	\$1.34	\$805,672
Total Revenue	188			201,063	\$2.54	\$2.54	\$6,119,987
Fee Income							\$391,457
Gross Revenues							\$6,511,444
Less: 5% Vacancy							\$326,508
Effective Gross Income (EGI)							\$6,184,936
Expenses:							
Administrative							4,841
Marketing & Leasing							(29,394)
Repairs & Maint							98,707
Payroll (Maint & PM)							51,695
Prop Mgmt Fee							57,648
Insurance							(26,527)
Utilities							26,856
Replacement Reserve							12,600
Real Estate Taxes							126,039
Total Expenses							\$2,158,309
Net Operating Income (NOI)							\$4,026,627
Property Value							\$80,532,540
5% cap rate valuation							\$80,906,827

## Variance

	880,607
	348,774
	30,083
	(17,100)
	(54)
	880,553
	286,457
	1,167,010
	59,286
	\$1,107,724



# RIVER'S EDGE BID COMPARISON

9/22/2016

Baystone Development (MacDowell)				Wood Partners	Variance
Real Estate Tax Estimate (based on calculations/assessments in similar towns)					
Estimated Gross Income (EGI)	\$5,077,212			Estimated Gross Income (EGI)	1,107,724
Expenses (30%)	(1,523,164)			Expenses (30%)	(332,317)
Net Operating Income (NOI)	\$3,554,049			Net Operating Income (NOI)	775,407
Value @ 8% cap rate	\$44,425,608			Value @ 8% cap rate	9,692,582
Taxes @ \$17.33/\$thou (FY16)	\$769,896			Taxes @ \$17.33/\$thou	167,972
Taxes @ \$18.35/\$thou (FY15)	\$815,210			Taxes @ \$18.35/\$thou	177,859
Project Costs & Returns (Typical development metrics)					
	# units	Cost/unit			
Hard Costs	188	194,926			6,969,912
Soft Costs	188	45,540			3,224,576
Land Costs (Gross Market Price)					713,550
Total Project Costs					10,908,038
Return on Cost (NOI/Cost)					6.34%
Total Completed Value					15,705,174
Total Net Value					4,797,136
Soils Costs Comparison (1 cy = 1.5 tons)					
Screening	33,333 CY	\$	- PCY	Screening	310,712
Less than RCS-1	18,500 tons	\$	12.00	Less than RCS-1	(222,000)
Mass Lined Landfill	5,000 tons	\$	42.00	Urban Fill	1,368,558
RCRA Landfill	1,500 tons	\$	85.00	ABC Waste	66,780
				Small Pile - ABC	134,880
Reuse on site	25,000 tons			Lead Impacted	73,440
	50,000 tons or			Stabilization	21,600
	33,333 CY				
Testing				OH&Fee	105,508
Contingency				Contingency	178,611
Total Soils Costs					2,038,089

**4. Financial Bid Comparison**  
**b. Long-Term Financial Analysis Comparison**



## Financial Comparison of River's Edge Bids from Baystone Development and Wood Partners

### NET PRESENT VALUE OF RIVER'S EDGE BIDS

Based upon NPV of cash flows to Town of Wayland over 40 years @ 5% discount rate:

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Net Sale Price	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax
Baystone Development	\$3,240,000	\$56,149	\$769,896	\$781,444	\$793,166	\$805,063	\$817,139	\$829,396	\$841,837	\$854,465	\$867,282	\$880,291	\$893,496
NPV Baystone	<b>\$17,586,833</b>												
Wood Partners	\$1,500,000	\$25,995	\$940,706	\$954,816	\$969,139	\$983,676	\$998,431	\$1,013,407	\$1,028,608	\$1,044,037	\$1,059,698	\$1,075,594	\$1,091,727
NPV Wood Partners	<b>\$19,108,274</b>												
Projected Annual Town Costs Due to River's Edge (from consultant)													
NPV of Additional Costs to Town	<b>(\$4,112,160)</b>	\$0	(\$206,045)	(\$209,136)	(\$212,273)	(\$215,457)	(\$218,689)	(\$221,969)	(\$225,299)	(\$228,678)	(\$232,108)	(\$235,590)	(\$239,124)

(these costs impact the two proposals equally, bringing the net benefit of the Wood Partners Proposal to \$14,779,202 and the net benefit of the Baystone Proposal to \$13,230,410).

The Wood Partners Proposal provides greater cash flow over a 40-year term, based upon the net present value of the cash flows, discounted at 5%/annum by: **\$1,521,441**

#### Notes:

##### 1. Annual assessments used per the developer proposals

Baystone	\$44,425,609
Wood	\$54,281,924

##### 2. Tax Rate

Used 2016 Tax Rate of Per \$1,000 of value

\$17.33

##### 3. Annual Revenue Growth To Wayland

This assumes an annual increase of 1.5% per annum, which is comparable to the average Cost of Living Adjustment ("COLA") for the past few years.

COLA:

1.015

##### 4. Discount Rate:

The discount rate of 5% is more conservative than Wayland's current cost of capital, which is currently less than 2.5%; however it would be anticipated that this would increase over time, based upon historic interest rates, thereby justifying the 5% rate being used.

##### 5. Term of Analysis

We have considered a 40-year term, as the Town could arguably borrow for two major projects at its typical borrowing of 20-years for large projects, while the project is within its useful life for depreciation purposes.

### BOND VALUE OF RIVER'S EDGE BIDS

Based upon bond "buying power" of Town of Wayland at completion of project, calculated on cash flow stream of new tax revenues over a theoretical 20-year bond term:

A second way to analyze the difference between the two proposals, which may be more relevant to a taxpayer's perspective, is to calculate if the Town were to use the new revenue stream (net of costs, as projected above) to borrow for a theoretical project utilizing a 20-year bond, similar to how large capital costs are currently budgeted (the new high school, new DPW building, etc). At a projected interest rate of 3% (currently Wayland's borrowing rate is under 2.5%) the Wood Partners net tax revenues would support a bond equal to \$11,257,794 and the Baystone project would support a bond of \$8,640,336. The difference of \$2,617,457 means that the Wood Partners proposal would support a bond that is \$877,457 more than the difference in the upfront net payments to the Town, meaning that the Town would reap additional benefits from the Wood Partners proposal from the perspective of borrowing for future projects (see below), and it could borrow again with these funds for an additional period beginning in year 21, thereby increasing the benefits from that proposal:

Amount Financable From Baystone Proposal for a 20-year bond	<b>\$8,640,336</b>	Based solely on year 1 tax revenues; does not include inflation of taxes over time.
Amount Financable From Wood Partners Proposal for a 20-year bond	<b>\$11,257,794</b>	
<b>Difference in Loan Amounts</b>	<b>\$2,617,457</b>	Note this does not include the value of the up front land purchase.



Financial Comparison of River's Edge Bids from Baystone Development and Wood Partners

2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax
\$906,898	\$920,501	\$934,309	\$948,324	\$962,548	\$976,987	\$991,641	\$1,006,516	\$1,021,614	\$1,036,938	\$1,052,492	\$1,068,279	\$1,084,304	\$1,100,568	\$1,117,077	\$1,133,833	\$1,150,840
\$1,108,103	\$1,124,725	\$1,141,596	\$1,158,720	\$1,176,100	\$1,193,742	\$1,211,648	\$1,229,823	\$1,248,270	\$1,266,994	\$1,285,999	\$1,305,289	\$1,324,868	\$1,344,742	\$1,364,913	\$1,385,386	\$1,406,167
(\$242,710)	(\$246,351)	(\$250,046)	(\$253,797)	(\$257,604)	(\$261,468)	(\$265,390)	(\$269,371)	(\$273,412)	(\$277,513)	(\$281,675)	(\$285,901)	(\$290,189)	(\$294,542)	(\$298,960)	(\$303,444)	(\$307,996)



# Financial Comparison of River's Edge Bids from Baystone Development and Wood Partners

2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058
Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax	Annual RE Tax
\$1,168,103	\$1,185,625	\$1,203,409	\$1,221,460	\$1,239,782	\$1,258,379	\$1,277,254	\$1,296,413	\$1,315,859	\$1,335,597	\$1,355,631
\$1,427,260	\$1,448,669	\$1,470,399	\$1,492,455	\$1,514,841	\$1,537,564	\$1,560,627	\$1,584,037	\$1,607,797	\$1,631,914	\$1,656,393
(\$312,616)	(\$317,305)	(\$322,065)	(\$326,896)	(\$331,799)	(\$336,776)	(\$341,828)	(\$346,955)	(\$352,160)	(\$357,442)	(\$362,804)

**4. Financial Bid Comparison**  
**c. Bidder Submittals (excerpts)**



**EXHIBIT 1.2**

**PRICE SUMMARY FORM, PROJECT PRO FORMA, AND  
STATEMENT OF ESTIMATED TAX REVENUES**

**Disposition of Municipal Real Estate – River's Edge Property**

TOWN OF WAYLAND  
41 Cochituate Road  
Wayland, Massachusetts 01778

Name of RFP Respondent: Baystone Development LLC

**PURCHASE PRICE**

The RFP Respondent (as Buyer) agrees to pay to the Town of Wayland (as Seller) the following purchase price for the purchase of the Property identified in the RFP ("Purchase Price"):<sup>10</sup>

<b>Net Purchase Price to Town</b>
<b>\$ 3,240,000</b>

The RFP Respondent shall purchase the Property and be solely responsible for all costs and expenses of the Project including without limitation all costs and expenses for the RFP Respondent to undertake and complete Demolition of the former Wayland/Sudbury Septage Facility, to design and construct the On-Site Package Treatment Plant, to design and construct the Water Main Extension to connect the Project to the public water supply, and to complete the On-site Soils Removal. The RFP Respondent's contractor's or engineering estimate of its costs and expenses for each of these three items is as follows (each an "Estimate"):

<b>Gross Purchase Price</b> , as if property is sewer- and water-connected, with no Existing Site Conditions Work	<b>\$ 7,385,000</b>
<b>Costs of Existing Site Conditions Work</b>	<b>Estimate</b>
Demolition of the former Wayland/Sudbury Septage Facility	<b>\$ 265,000</b>
Design and Construction of On Site Sewer Package Treatment Plant	<b>\$ 2,100,000</b>
Design and Construction of Water Main Extension	<b>\$ 820,000</b>
On-Site Soil Removal Work	<b>\$ 960,000</b>
<b>Net Purchase Price to Town</b>	<b>\$ 3,240,000</b>

<sup>10</sup> Capitalized Terms are defined below or are defined in the RFP.

**RFP # 16-28 - RIVER'S EDGE, WAYLAND, MA**

In addition to the Purchase Price, the RFP Respondent agrees to pay to the Town:

- A. All applicable and lawful taxes, betterments, assessments, connection fees and annual use rates (*i.e.* for public water) assessed by the Town to the Property in accordance with Massachusetts law;
- B. All applicable permit fees and review costs for the On Site Package Treatment Plan as may be required by the Town of Wayland; and
- C. All closing costs and other charges to be assessed to the Buyer in accordance with the Land Disposition Agreement to be executed with the Town and the RFP Respondent.

**Attached hereto as Attachment 1 is the RFP Respondent's Pro Forma for the Project.**  
[Please complete in the form attached].

**Attached hereto as Attachment 2 is the RFP Respondent's Statement of Estimated Tax Revenues.** [Please complete in the form attached].

**PUBLIC WATER ALTERNATIVE – AT TOWN'S OPTION**

As an alternative, at the Town's sole and exclusive option, and as may be contingent on State funding being provided to the Town, the Town may elect to design and construct the Water Main Extension. In this alternative, RFP Respondent's estimate of Water Extension costs shall be paid to the Town as an addition to the Net Purchase Price to Town.

Alternative	Purchase Price
Design and Construction of Water Main Extension	\$ 820,000

**AUTHORIZED SIGNATURE**

This Proposal will remain subject to acceptance by the Town of Wayland for one (1) year after the date of submission of proposals or for such additional time as the Town and the RFP Respondent may agree in writing.

Signature

Roy S. MacDowell III

Manager

Date



**RFP # 16-28 RIVER'S EDGE, WAYLAND, MA****Attachment 1 to Price Summary Form:****Project Pro Forma**

Name of RFP Respondent: Baystone Development LLC

**Operating Pro Forma****First Full Operating Year****Project Revenues****Market Rate**

# Units	Type	Avg Size	Total SF	Mo Rent	Rent psf/yr	Annual Revenues
3	Studio	625	1,875	\$1,875	\$36.00	\$67,500
72	1-BR	865	62,280	\$2,387	\$33.11	\$2,062,204
64	2-BR	1,255	80,320	\$2,897	\$27.70	\$2,224,804
2	3-BR	1,400	2,800	\$3,300	\$28.29	\$79,200
<b>141</b>			<b>147,275</b>	<i>Average</i> <b>\$2,620</b>	<b>\$30.10</b>	<b>\$4,433,708</b>

**Affordable**

# Units	Type	Avg Size	Total SF	Mo Rent	Rent psf/yr	Annual Revenues
2	Studio	625	1,250	\$1,056	\$20.28	\$25,344
23	1-BR	865	19,895	\$1,311	\$18.19	\$361,811
21	2-BR	1,255	26,355	\$1,593	\$15.23	\$401,471
1	3-BR	1,400	1,400	\$1,425	\$12.21	\$17,100
<b>47</b>			<b>48,900</b>	<i>Average</i> <b>\$1,429</b>	<b>\$16.48</b>	<b>\$805,726</b>

Plus: Miscellaneous Income (tenant fees)	\$105,000
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Gross Revenues:	\$5,344,434
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Less: 5% Vacancy	(\$267,222)
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<b>Effective Gross Income</b>	<b>\$5,077,212</b>
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Revenue/Unit	\$27,006
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**Unit Matrix:**

# Units	Type	Avg Size	Mkt Rent	Aff Rent
5	Studio	625	\$1,875	\$1,056
63	1-BR	805	\$2,300	\$1,261
32	1-BR + Den	985	\$2,550	\$1,425
70	2-BR	1,225	\$2,850	\$1,567
15	2-BR + Den	1,400	\$3,100	\$1,750
3	3-BR	1,400	\$3,300	\$1,945
<b>188</b>		<b>1,044</b>		

**RFP # 16-28 RIVER'S EDGE, WAYLAND, MA****Operating Expenses**

	Per Unit Cost	Expenses
Administrative	\$316	\$59,408
Marketing & Leasing	\$437	\$82,156
Repairs & Maintenance	\$1,105	\$207,740
Payroll (Maintenance & Manager Staff)	\$1,463	\$275,000
Property Management Fee	\$675	\$126,930
Insurance	\$400	\$75,200
Utilities	\$900	\$169,200
Other:	\$133	\$25,000
Real Estate Taxes (see attached)	\$4,336	\$815,210

<b>Total Expenses</b>	\$9,765	\$1,835,844
Expenses as % of Effective Gross Income		36.16%

	Per Unit	Total
<b>Net Operating Income</b>	\$17,241	\$3,241,368

	Per Unit	Total
<b>Property Value</b> 5.0% cap rate	\$344,826	\$64,827,364



**RFP # 16-28 RIVER'S EDGE, WAYLAND, MA**

**Attachment 2 to Price Summary Form:  
Statement Of Estimated Tax Revenues**

Name of RFP Respondent: Baystone Development LLC

**Project Revenues**

Gross Revenues (from Pro Forma)	\$5,344,434
Less: 5% Vacancy	(\$267,222)
<b>Effective Gross Income</b>	<b>\$5,077,212</b>

<b>Operating Expenses</b>	<b>30%</b>	<b>(\$1,523,164)</b>
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<b>NET OPERATING INCOME</b>	<b>\$3,554,049</b>
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<b>Estimated Property Assessment</b>	<b>8.0% cap rate</b>	<b>\$44,425,609</b>
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<b>Estimated Taxes based on FY2015 Tax Rate</b>	<b>\$18.35</b>	<b>\$815,210</b>
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**EXHIBIT 1.2**

**PRICE SUMMARY FORM, PROJECT PRO FORMA, AND  
STATEMENT OF ESTIMATED TAX REVENUES**

**Disposition of Municipal Real Estate – River's Edge Property**

TOWN OF WAYLAND

41 Cochituate Road

Wayland, Massachusetts 01778

Name of RFP Respondent: WP East Acquisitions, LLC

**PURCHASE PRICE**

The RFP Respondent (as Buyer) agrees to pay to the Town of Wayland (as Seller) the following purchase price for the purchase of the Property identified in the RFP ("Purchase Price").<sup>10</sup>

Net Purchase Price to Town
\$ <u>1,500,000</u>

The RFP Respondent shall purchase the Property and be solely responsible for all costs and expenses of the Project including without limitation all costs and expenses for the RFP Respondent to undertake and complete Demolition of the former Wayland/Sudbury Septage Facility, to design and construct the On-Site Package Treatment Plant, to design and construct the Water Main Extension to connect the Project to the public water supply, and to complete the On-site Soils Removal. The RFP Respondent's contractor's or engineering estimate of its costs and expenses for each of these three items is as follows (each an "Estimate"):

<b>Gross Purchase Price</b> , as if property is sewer- and water-connected, with no Existing Site Conditions Work	\$ <u>8,098,550</u>
<b>Costs of Existing Site Conditions Work</b>	<b>Estimate</b>
Demolition of the former Wayland/Sudbury Septage Facility	\$ <u>351,876</u>
Design and Construction of On Site Sewer Package Treatment Plant	\$ <u>2,543,303</u>
Design and Construction of Water Main Extension	\$ <u>705,261</u>
On-Site Soil Removal Work	\$ <u>2,998,110</u>
<b>Net Purchase Price to Town</b>	\$ <u>1,500,000</u>

<sup>10</sup> Capitalized Terms are defined below or are defined in the RFP.

**\* NOTE - these figures include design costs, construction costs, contingency and fees.**



**RFP # 16-28 - RIVER'S EDGE, WAYLAND, MA**

In addition to the Purchase Price, the RFP Respondent agrees to pay to the Town:

- A. All applicable and lawful taxes, betterments, assessments, connection fees and annual use rates (i.e. for public water) assessed by the Town to the Property in accordance with Massachusetts law;
- B. All applicable permit fees and review costs for the On Site Package Treatment Plan as may be required by the Town of Wayland; and
- C. All closing costs and other charges to be assessed to the Buyer in accordance with the Land Disposition Agreement to be executed with the Town and the RFP Respondent.

**Attached hereto as Attachment 1 is the RFP Respondent's Pro Forma for the Project.**  
[Please complete in the form attached].

**Attached hereto as Attachment 2 is the RFP Respondent's Statement of Estimated Tax Revenues.** [Please complete in the form attached].


**PUBLIC WATER ALTERNATIVE – AT TOWN'S OPTION**

As an alternative, at the Town's sole and exclusive option, and as may be contingent on State funding being provided to the Town, the Town may elect to design and construct the Water Main Extension. In this alternative, RFP Respondent's estimate of Water Extension costs shall be paid to the Town as an addition to the Net Purchase Price to Town.

Alternative	Purchase Price
Design and Construction of Water Main Extension	\$ <u>705,261</u>

**AUTHORIZED SIGNATURE**

This Proposal will remain subject to acceptance by the Town of Wayland for one (1) year after the date of submission of proposals or for such additional time as the Town and the RFP Respondent may agree in writing.

  
\_\_\_\_\_  
Signature

James Lambert  
\_\_\_\_\_  
Name of Person Signing

Vice President  
\_\_\_\_\_  
Title

7/6/16  
\_\_\_\_\_  
Date

**RFP # 16-28 - RIVER'S EDGE, WAYLAND, MA**

**ATTACHMENT 1 TO PRICE SUMMARY FORM:  
PROJECT PRO FORMA**

Name of RFP Respondent: **WP East Acquisitions, LLC**

**OPERATING PRO FORMA  
FIRST FULL OPERATING YEAR:**

Project Revenues						
# Units	Type	Avg Size	Total SF	Mo Rent	Rent psf/yr	Annual Revenues
	Studio			\$	\$	\$
67	1-BR	871	58,384	\$2,777	\$3.19	\$2,233,010
74	2-BR	1,252	92,637	\$3,470	\$2.77	\$3,081,305
	3-BR			\$	\$	\$
				Average \$3,141	\$2.93	\$5,314,315
# Units	Type	Avg Size	Total SF	Mo Rent	Rent psf/yr	Annual Revenues
	Studio			\$	\$	\$
23	1-BR	870	20,019	\$1,355	\$1.56	\$374,118
24	2-BR	1,252	30,055	\$1,498	\$1.20	\$431,554
	3-BR			\$	\$	\$
				Average \$1,428	\$1.34	\$805,672
Plus: Miscellaneous Income (tenant fees)						\$391,457
Gross Revenues						\$6,530,156
Less: 5% vacancy						\$326,508
Effective Gross Income				Revenue/unit \$32,998 <b>\$6,203,648</b>		

*Expenses and  
Net Cash Flow  
(next page) >>>>*



**RFP # 16-28 - RIVER'S EDGE, WAYLAND, MA**

<b>Operating Expenses</b>		
	Per unit cost	Expenses
Administrative	\$342	\$64,249
Marketing & Leasing	\$281	\$52,762
Repairs & Maintenance	\$1,630	\$306,447
Payroll (Maintenance & Manager Staff)	\$1,738	\$326,695
Property Management Fee	\$982	\$184,578
Insurance	\$259	\$48,673
Utilities	\$1,043	\$196,056
Other: Replacement Reserve	\$200	\$37,600
Real Estate Taxes (see attached)	\$5,007	\$941,249
<b>Total Expenses</b>	<b>\$11,480</b>	<b>\$2,158,307</b>
Expenses as % of Effective Gross Income		34.79%

	Per unit	Total
<b>NET OPERATING INCOME</b>	<b>\$21,518</b>	<b>\$4,045,341</b>

		Per unit	Total
<b>PROPERTY VALUE</b>	5.0% cap rate	<b>\$430,355</b>	<b>\$80,906,827</b>

**RFP # 16-28 - RIVER'S EDGE, WAYLAND, MA**

**ATTACHMENT 2 TO PRICE SUMMARY FORM:**

**STATEMENT OF ESTIMATED TAX REVENUES**

Name of RFP Respondent: **WP East Acquisitions, LLC**

<b>Project Revenues</b>	
Gross Revenues (from Pro Forma)	\$6,530,156
Less: 5% vacancy	\$326,508
<b>Effective Gross Income</b>	<b>\$6,203,648</b>

<b>Operating Expenses</b>	30%	<b>\$1,861,095</b>
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<b>NET OPERATING INCOME</b>	<b>\$4,342,554</b>
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<b>Estimated Property Assessment</b>	8.0% cap rate	<b>\$54,281,924</b>
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<b>Estimated Taxes based on FY2016 Tax Rate</b>	<b>\$17.33</b>	<b>\$941,249</b>
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\* Respondent would like to have an opportunity to discuss this tax revenue calculation if being considered for selection. The calculated tax revenue above equates to \$5,006 per unit, which is considerably higher than the comparable developments and has a significantly negative impact on the financial returns, and in turn on the land price being offered.