



November 18, 2022

Phil Hervey
Town Manager
283 County Road
Barrington, RI 02806

Re: Belton Court Concept Estimate

Dear Mr. Hervey:

Thanks for providing the Concept Estimate for Belton Court. This email is in response to your request to recommend qualified third parties to review the cost presentation. I've reached out to real estate professionals on Preserve Rhode Island's Board as well as to the staff at the Rhode Island Historical Preservation and Heritage Commission. Every discussion led to the conclusion that an independent review of the numbers provided in the Concept Estimate would not be fruitful – it starts the conversation off on the back foot with insufficient information. Let me explain.

In reviewing the Concept Estimate, we observed the following:

- **Not a feasibility assessment:** The Concept Estimate does not provide a comprehensive feasibility analysis of the reuse of Belton Court. Out of all the potential development schemes, it picks one scenario and presents only those purported costs. There is no attempt to analyze other development scenarios and assess the feasibility of each, going forward, which would be necessary to understand the full scope of the redevelopment.
- **Only one side of the development ledger is presented:** For the selected development scenario the feasibility of the project is not addressed – the concept estimate simply presents a high cost of the expenses but does not show the offsetting sources of funds that will be used to support the project, nor the revenues. There is no disclosure, let alone any analysis, of the gap between revenues and costs. Even with the scenario presented, it is impossible to assess feasibility.
- **Ignores significant subsidy available through federal historic rehabilitation tax credits:** Selection of luxury condominiums as the development approach is unsubstantiated. This development scenario does not qualify for use of the federal historic tax credits that would otherwise provide a handsome subsidy for the project. Historic tax credits are available for income-producing properties (not for-sale condominiums), help to enhance feasibility, and increase resources to preserve and reuse historic structures such as Belton Court.
- **No plans:** The architect on the Concept Estimate is listed as "Martin & Hall" – they were the architects for the original plans for the historic building and no longer in practice. We conclude there are no architectural drawings for which the current cost estimate is based, and therefore the cost estimate cannot be substantiated. The numbers seem rounded up and inflated based on no tangible information – or at least nothing that can be reviewed by a third party. The cost

estimate calls for \$29 million of construction costs and then adds \$20 million between soft costs and escalations – which brings the proposal up to \$49 million. Since there is no indication that the numbers are based on drawings, plans, or specs, they can't be verified. With development costs projected at nearly \$1,000 per square foot, the estimate does seem extraordinarily high, based on our collective experience.

- **Segments the property:** The Concept Estimate segments the mansion from the balance of the property instead of providing a picture of the total potential development of the parcel, building and land combined. Segmenting a project in this way skews financial analysis by arbitrarily assigning overall development costs and arbitrarily excluding revenues that could make the total project work. The site is part of a master planned development scheme, and the totality of the project needs to be analyzed, not just discrete parts. The density granted and development allowed on the remainder of the site contributes to the feasibility of reusing the historic structure and was likely a factor in the initial master plan entitlements.
- **No basis to conclude that reuse is infeasible:** If the Concept Estimate was supplied to justify demolition, it fails to make that argument. Instead, it lays out a high expense number for one potential scenario without demonstrating gaps and infeasibility. The feasibility of reuse question is not answered and cannot be answered without a more comprehensive analysis. An actual feasibility study would offer different potential scenarios and show income, expenses, and gaps that tie to each scenario. It would also estimate how gaps might be filled – through financing, cost controls, subsidies, tax credits, and reasonable revenue estimates.
- **Demolition before planning approvals:** We can point to many instances where sites languish when an owner demolishes first and then the schemes for development of the then cleared site never materialize. Site clearance does not pave the way for subsequent planning approvals and is an extreme measure. Stalled plans that don't materialize are undoubtedly a risk for the case at Belton Court where rezoning and additional entitlements are required, needing community support. After so many years of languishing, it is possible the current owners will continue to be ineffective in mustering behind a development scheme. To many, the mansion is the key asset for the site and would be the centerpiece upon which redevelopment hangs. Its demolition should not be allowed until there is a viable plan for the property or a party with site control that can execute development. Once the building is demolished, it is lost forever. There's no good argument for leading a development process with demolition and every good argument to delay until plans are firm.
- **Anticipatory demolition:** Any reuse that contemplates the use of federal funds could be eliminated by the demolition of the historic building. Since Belton Court is listed on the National Register of Historic Places, future plans for the site would have difficulty accessing federal subsidies because demolition could be seen to have been accelerated in order to avoid historic preservation reviews.
- **Historic Building as a key asset:** A fair feasibility analysis could conclude that the historic building would be the centerpiece of a valid redevelopment proposal – a kind of magnet that makes the right redevelopment proposal work. Given the quality of the historic building itself, its location in a desirable community, the real estate market and the town's demonstrated willingness to cooperate on redevelopment – there's a lot going to make a project at Belton

Court work. Vacant land may not hold the same attractiveness for development as the historic mansion.

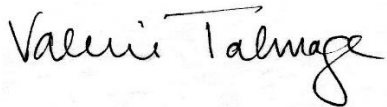
The best current outcome for Belton Court would be if the Town declined to act on the demolition permit until the potential plans for the site have been established through rezoning, or a willing and capable developer that can provide comprehensive reuse scenarios has gained site control. The reuse of the building is contemplated in the existing zoning approvals and the Town's issuing a demolition permit allowing for the building to be razed – an action that is irreversible – puts the existing zoning in a muddle. Declining to act on the demolition while the owner seeks rezoning seems the best option for the Town.

Finally, perhaps the owners and the Town would consider a subdivision of the area around the historic mansion. It seems clear the owners don't have an interest in preserving the property – but conveyance of Belton Court to individuals better equipped to rehabilitate the property could be a pathway forward. Alternatively, if the owners sought a development partner for the historic rehabilitation, they might surface capable and experienced collaborators capable of executing the preservation undertaking. We'd be happy to connect the town or owners with potential partners.

I will email you a suggestion for an independent third party who might be willing to review the Concept Estimate – but again, it's probably not worth a deep dive to review the costs as much to frame what is lacking and unsubstantiated about the presentation in the Concept Estimate.

Let me know if you'd like to talk through these points with some of the real estate and historic preservation professionals with whom we've talked.

Sincerely,

A handwritten signature in cursive script that reads "Valerie Talmage". The signature is written in black ink and is positioned above the typed name.

Valerie Talmage
Executive Director

Cc: Jeff Emidy, Rhode Island Historical Preservation and Heritage Commission
Andy Teitz, Ursillo, Teitz & Ritch, Ltd