

ARTICLE 10

**REPORT OF THE NEWBURY COLLEGE ACQUISITION
ADVISORY COMMITTEE**

MEMO TO: Select Board

FROM: Newbury College Acquisition Advisory Committee

DATE: May 27, 2019

SUBJECT: Interim Report of the Committee

This memorandum shall serve as an interim report of the Newbury College Acquisition Advisory Committee to the Select Board. We are a committee of eleven members appointed by the Select Board in January 2019 to examine all relevant issues associated with Newbury College and to provide strategic advice for possible acquisition of some or all of the campus on Fisher Hill. We are a well-functioning and active committee that has met nearly every week since our inception. Among our members are experts in the fields of real estate, law, urban planning, higher education, finance and development, including specific and direct experience with the closing and disposition of college campuses. We are led by a member of the Select Board, and have representatives from the Planning Board, Economic Development Advisory Board, School Committee, Advisory Committee, and the Building Commission. We have three members who reside in the Fisher Hill neighborhood.

Immediately, the Committee decided to retain an experienced real estate consultant, who could advise the Committee and Select Board on the market value of the campus and to assist the Town in participating in the College's disposition process. We were pleased to retain the firm of McCall & Almy as the Town's expert real estate advisor. Along with our consultant, the Committee became intimately familiar with the buildings and facilities of the campus. We reviewed the College's master planning document and took physical tours of each building. We retained an engineering firm to conduct a conditions assessment of all buildings and systems, including a ten-year capital needs report. We also retained an architectural firm to evaluate the viability of various use scenarios focusing on the conversion of the academic building into an early childhood center and for school administrative offices. The Town's professional staff supported the process greatly. The Planning Department provided the Committee with a solid understanding of the zoning and land use issues for the Newbury campus. This department also supported the Committee's operations and logistics. The Legal Department conducted title searches and provided other relevant legal advice. The DPW Engineering Division reviewed utility and other

infrastructure issues and analyzed an existing Phase 1 environmental site assessment. The Building Department reviewed all building systems and conditions and identified detailed capital and operational expenses that would be required to manage the campus for the next two to three years. The Town Administrator's office provided financial analyses on the Town's debt structure and the impact of the College's acquisition on the Town's operating budget and Capital Improvement Plan (CIP). Committee leadership and staff met with a range of stakeholders, including Newbury's real estate broker, Colliers, with the Attorney General's Division of Public Charities, and with the Commissioner of Higher Education. Meanwhile, many prospective bidders reached out to the Town as an entity with a stated interest in acquiring the property and as the government with legal authority to enact changes to the current zoning. To be clear, any change in the zoning for the College property shall require an affirmative $\frac{2}{3}$ vote of Brookline's Town Meeting.

McCall & Almy prepared a detailed and effective matrix at determining ranges of property values for different uses of the site. They developed strategies to position the Town's bids with Newbury's interests and within the marketplace. Newbury and its real estate broker, Colliers, developed a multi-step bidding process in which the Town participated in. Based on guidance received from Newbury College and its broker, the Committee recommended multiple bids, approved in joint meetings with the Select Board. All bids were tendered by McCall & Almy on behalf of the Town. The higher the bid, the greater the need for a contingency involving a debt exclusion referendum. Throughout the process, the Committee also explored strategies in the event the Town was not the highest bidder.

Late last week, our real estate consultant was told that the Town was not the highest bidder for the property. Our consultant was also advised that Newbury is negotiating a Purchase and Sale agreement with a prospective buyer that is not the Town. We do not know the identity of the buyer, how much they bid or any of the conditions on the bid. Like all real estate deals, it is never over until it is over, so the Committee intends to remain intact and be prepared to react if the deal fall through or if the buyer reaches out to the Town to participate in the transaction. We also hope to learn more about the buyer and what their interests are in the property to see if they align with any of the Town's interests.

We have been pleased to serve the Board and the Town and are prepared to continue until there is a final disposition of the Newbury College campus.

Respectfully submitted:

NEWBURY COLLEGE ACQUISITION ADVISORY COMMITTEE

Helen Charlupski

George Cole

Janet Fierman

Bernard Greene

Steve Heikin

Nancy Heller, Chair

Georgia Johnson

Ranch Kimball

Bobbie Knable

Paul Saner

Kathy Spiegelman

Neil Wishinsky