Green Champions

11-15-2016

Mike Lyne - Developers Collaborative

DEVELOPERS
COLLABORATIVE

- developing, owning, consulting, managing -

- smart growth, housing, commercial, historics, downtowns -

DEVELOPERS
COLLABORATIVE

Why historic buildings matter

I’m a sucker for the old bricks…It’s visceral….most people feel it to some degree

- Downtown Revitalization - economic micro development
- Doing the little things well
- Eye catching quality
- Marketing community
- Telling stories unique to that place
- Attracting attention
- Creating opportunities
- Finding balance

Quality of Place

Quality of Place is developed through an asset-based investment strategy. “Asset- based development” refers to initiatives that build upon regional strengths and capacities that stand out from the norm and have the potential to attract economic opportunities. Such a strategy first identifies a region’s assets: the skills and abilities of its residents, organizations, businesses, and institutions; and its natural, historical, and cultural resources. It then designs initiatives to build on these assets and create new opportunities by enhancing them, marketing them, and combining them in new and productive ways.

-***People, Place and Prosperity***, *1st Report of the Governor’s Council on Maine’s Quality of Place, 2004*

What I will not talk in depth about:

Historic Tax Credits -

OTIS | ATWELL
CERTIFIED | PUBLIC | ACCOUNTANTS

DrummondWoodsum
ATTORNEYS AT LAW

Maine Preservation
Our Heritage, Our Legacy

CURTIS THAXTER
ATTORNEYS AT LAW

Sustainability/LEED/Passive House/Green Building Techniques/Audits

SO HOW CAN I HELP IN 30 MINUTES?

efficiency MAINE

Think Strategically...
8 pieces of advice from the For Profit side…..
Dirty Rotten Developer 101

Do you have an idea for your building that you lose sleep over? **Thats good**.

Do you have a **c**lear vision of the end game? **Convince others.**

How much work needs to be done? **Make a plan**

Can you afford it? **Run the numbers**

How are you measuring the return? **Make the business case**

Are you listening to the locals ? **Be open to others ideas**.

What does your team look like? **Rely on experience.**

At what point do you walk away? **Protect your core mission**.

Go For it!…. Dreaming is good to a point

- Old theater? Really hard...but worth it
- Museum? Really hard...but worth it
- Event space? Really hard...but cool
- It’s very difficult for us on the for profit side to make these work
- So I’m glad we have champions like yourselves out there
- But if those dreams start turning into nightmares, then it’s time to adjust
- Are you willing to move away from the Ideal to make this thing work?
- Be passionate….but nimble if necessary
- Some lights on are better than none.

Convince Others of Your Vision

- Are others in agreement? Your Board? Locals? Supporters?
- Are you able to overcome objections?
  - What does it look like in the end?
  - Are you going to phase it?
  - Does the organization own it in the end? Maybe not
  - Is it a separate entity now?
  - What if it doesn't work? Is there a fallback?
  - Do you understand your zoning?
  - Is it a saleable asset?
- Do you talk to yourself in the car? That's a good sign

What is the long term plan?

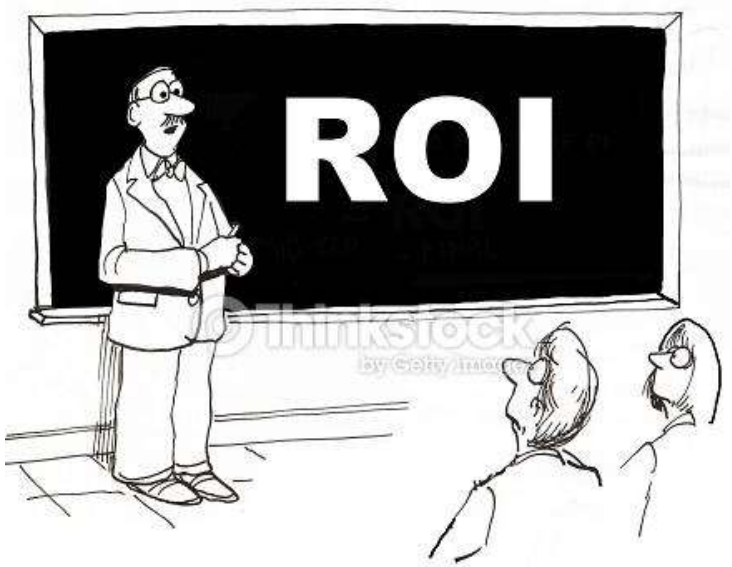
- What are the carrying costs?
- How many people here are managing a stabilized concern, you just need a **management plan**
- How many people here are holding a property with grand plans in mind? You need a **development plan**
- In both cases you need to figure out where funds come from and what they will be used for
- Fine tune your budget, carry contingencies, and revisit it yearly, at least
- Living document

Can you afford it? Constantly crunch the numbers

- Make a business case for all of your moves
  - Prove to yourself first
  - The Board
  - others
- Sources and uses- what does the capital stack look like?
  - Grants
  - Fundraisers
  - Patient equity
  - Debt
  - Public intervention
- Development/improvement costs
- Operating statements
  - Find savings (you already are by virtue of being here)
- What is your breakeven? What is the payback on improvements?

Measuring the return….make the business case

- Your metrics may be a little different than the DRD:
  - Cash on cash
  - IRR
  - ROI
  - Market Forces
  - Community need
- Yours:
  - Mission oriented
  - Program related
  - Community need
  - Financial
- Find balance
  - Like the friction point of a clutch
  - Successful development finds it



"Now, now, now, there's no reason to be intimidated by ROI."

Listening?

What do the neighbors think?

What do the Downtown businesses think?

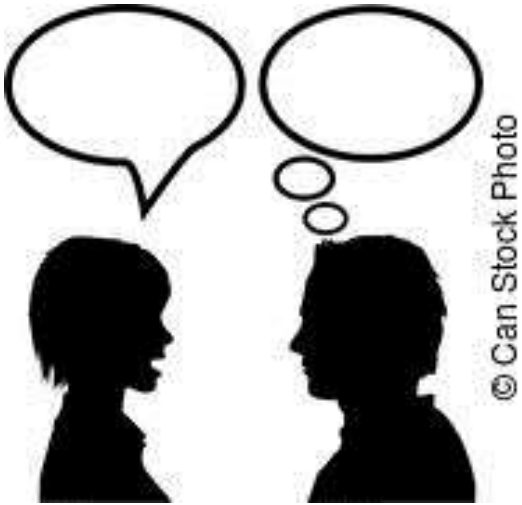
What does Town Staff think? Zoned right?

What does your Board think? New Board members?

Are there community partnerships to pursue?

Funding partner suggestions

Don’t let your preconceptions elbow out good ideas,pragmatic ideas



Your team - be the band leader -experience helps

Management team:

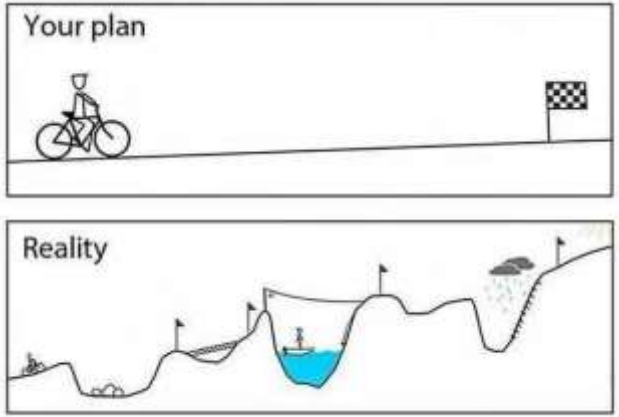
- Vendors
- Book keeping
- Marketing
- Legal
- Accounting

Development team:

- A&E
- Historic Consultant
- Dev. Consultant
- Builder
- Marketing
- Legal
- Accounting

Walk Away?

- I’m not saying walk away from obligations:
  - But you can sell
  - There are historic preservation easements
  - Others may be able to use historic credits
- Just don’t let a building be a drain on your opera
- Protect what you have already built
- Only proceed after thorough due diligence
- You are all speculators to some degree….
  - …..just try to minimize your risk



In conclusion….

Go for it.

Convince others.

Make a plan

Run the numbers

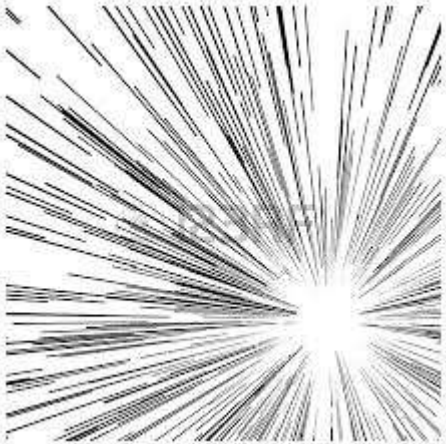
Make the business case

Be open to others ideas.

Rely on experience.

Protect your core mission.

Thank You!

Questions

Rapid Fire Case Studies