

# SUPPLEMENTAL STATEMENT



## FRIENDS OF JOSIAH SMITH TAVERN

March 22, 2017

## SUPPLEMENTAL STATEMENT

This Supplemental Statement is submitted by Friends of Josiah Smith Tavern, Inc. ("Friends") to the liaisons to the Board of Selectmen to update them on progress made since the Friends' Proposal for Adaptive Reuse of the Josiah Smith Tavern was submitted to the Town of Weston on September 6, 2016 (the "Proposal").

1. Non-profit sub-tenants. The Proposal included signed letters of intent from Weston Forest & Trail Association, Inc. ("Forest & Trail") dated July 25, 2016 and Weston Historical Society, Inc. ("WHS") dated August 6, 2016. On March 13, 2017 Friends entered into a comparable letter of intent with The Women's Community League of Weston, Inc. ("WCL") to lease approximately 713 square feet of space in the Jones House/Tavern building for \$4.80 per square foot. A copy of such letter of intent is attached as Exhibit A.

The rent figure is a 20% reduction from the target rent of \$6 per square foot, and because of "most favored nation" clauses included in the letter of intent with Forest & Trail, their rent per square foot was similarly lowered to \$4.80 per square foot for the approximately 231 square feet that they have agreed to lease. A copy of the letter to Forest & Trail confirming this rent reduction is attached as Exhibit B. A similar concession was offered to WHS in consideration of their agreement to relinquish to the WCL their prior rights to Room 104, and to instead accept less favorable space in Room 202. A revised letter of intent was entered into with WHS on February 23, 2017 covering a total of approximately 969 square feet, a copy of which is attached as Exhibit C.

As a result of these rent concessions, the aggregate rent from the three non-profit tenants at sub-lease inception is estimated to be \$9,182.40 per year. These rents will be fixed over the initial terms of such sub-leases, which will mirror the term of the master lease entered into between the Town of Weston and Friends. Accordingly, the revenue projections shown at Tab H of the Proposal for the initial five years of the master lease between the Town and Friends must be adjusted downwards from a total of \$48,523 over the first five years of occupancy to \$45,912, for a difference of (\$2,611).

In light of the fact that the three tenants are community groups of long-standing in Weston, with an approximate membership of 1,000 (by their own collective estimates), Friends considers this reduction in projected revenues of 5% to be worth the foregone income. The compromise allows existing the two existing tenants to remain in the building to continue their work, adds a third tenant with approximately 450 individual and

family members, and broadens the base of support at Town Meeting for the restoration of the Josiah Smith Tavern and barn complex of buildings.

2. Community Room Use. Responding to input from Selectmen and residents, an attempt has been made to better articulate the policy for use of the Community Room, the second-floor ballroom in the Jones House/Tavern that overlooks the Town Green, in terms of the priorities of usage and costs associated with the same. This Community Room will have seating for 49 people and a separate efficiency kitchen that will be available for preparation and service of food prepared off-premises, either "pot luck" suppers or take-out food. The restaurant operator will be the exclusive caterer for food prepared on-site.

The grid attached as Exhibit D is presented as a work-in-progress, but one that incorporates discussions to date with several constituencies: local non-profits that are tenants; local non-profits that are not tenants; local residents; and the restaurant operator. While any attempt to identify the proper allocation of rights and responsibilities several years in advance of construction funding and completion is inevitably speculative, the structure currently proposed reflects both current tenants' usage of the building for their own purposes, and the operator's preferred priorities given the varying levels of restaurant demand during the week; namely, high volumes on weekends (operator's priority), and lower volumes from Sunday night through Thursday (non-profit priority).

Non-profit tenants would have the ability to schedule and hold regular meetings without charge, and on most favorable terms; e.g., no additional charge for cleaning. Small non-profits based in Weston (i.e., not operating non-profits such as schools and colleges) that are not tenants in the building would be entitled to the most favorable rental rate, but would be required to pay a cleaning charge if a large group brought in food. Groups that provide prepared food would be permitted to charge members and guests, but not the public generally. The restaurant operator has offered to provide meals at subsidized rates for non-profit tenants' regular meetings.

Individuals seeking to reserve the room for private functions, whether or not Weston residents, would be required to use the restaurant operator for food and would pay a rate comparable to that charged by other function and event spaces in the Metrowest area. The same policy would apply to non-Weston organizations. The operator will be permitted to use the Community Room for overflow seating at times of peak demand during its priority period when no event is scheduled.

3. Restaurant Consultant's Report. The financial projections contained in the Proposal were based primarily on the following sources: (a) Group M Inc. report dated September 20, 2006 to the Town of Weston Josiah Smith Tavern Subcommittee, as supplemented; (b) restaurant industry sources and publications; and (c) materials previously submitted by respondents to the Town of Weston's 2009 Request for Proposals. The Proposal indicated in Attachment 3, item 2(a), that Friends was not a joint venture with any other party, and accordingly those projections represented a best estimate developed by Friends independently of any input from a restaurateur.

With the receipt of the Feasibility Study of Boston Restaurant Group dated February 1, 2017, which included input from The Webber Group, Friends can more accurately project the financial benefits to the Town from the re-development of the barn and connector as a restaurant, as follows:

a. Investment by restaurant operator. According to the Feasibility Study, The Webber Group estimates that they will invest approximately \$1 million in the restaurant as follows: (i) kitchen, \$300,000, (ii) bar, \$100,000, (iii) other, \$600,000. This is consistent with the Feasibility Study's examples from comparable-sized restaurants in the Metrowest area.

b. Fixed rent. \$80,000 per year, no change from Proposal. This number was proposed by Friends as the approximate cost of maintaining the Josiah Smith Tavern complex of buildings on an annual basis. This proposed figure was accepted by the Webbers. It is subject to a 2.5% annual increase beginning in year 6.

c. Real estate taxes. \$15,590 per year, no change from Proposal, but \$16,067 if the higher volume of sales (\$4 million) contemplated by the Feasibility Study is achieved. This number is based on an estimated figure developed by the Town in 2009, updated for changes in the Weston tax rate and the smaller size of the restaurant proposed. The Town would retain ownership of the property, but under the current state of Massachusetts law, a for-profit use may subject property by a non-profit to local real estate taxes, and the Webbers have been apprised of this possibility.

d. Percentage rent. Per the Feasibility Study, reduction from Proposal. Percentage rent is estimated by the Feasibility Study to fall in a range from \$15,000 to \$69,000, depending on the operator's volume; even at the lower volume, with its lesser impact on the Town Center, the operators are confident that the restaurant will be profitable with a 105-seat configuration and occasional use of the ballroom for functions and limited overflow.

The variation represents a trade-off among three variables. As envisioned by The Webbers, the restaurant will have a relaxed atmosphere with moderately-priced food, with the average check per diner anticipated to be from \$20 to \$30. Lower prices and a smaller number of seats (105) than that proposed in 2009 (180) means less revenue to the Town, but also less impact in the form of traffic and a restaurant that is affordable on a regular basis to more residents.

e. Community Room. Based on projections provided to Boston Restaurant Group, the Town's restaurant consultant, it is anticipated that the restaurant operator will generate revenues from use of the Community Room of approximately \$400,000 per year from functions, or approximately 2 to 3 times a month at an average room charge of \$2,500 per function; this is only slightly higher than the current usage of the barn for events and functions for non-tenants. The income to the Town from this usage is at present impossible to determine, as the final business arrangement for this space has yet to be finalized. A daily or half-daily charge has been proposed, but percentage rent from the additional volume serviced in this room is also a possibility

4. Updated Pro Forma. Attached as Exhibit E is an updated pro forma incorporating the changes discussed above, with net operating income to the Town ranging from \$69,472 to \$123,949, depending on restaurant volume. All net income generated by the operation of the restored Josiah Smith Tavern and barn would be returned to the Town's general fund.

Respectfully submitted,  
FRIENDS OF JOSIAH SMITH  
TAVERN, INC.

By 

March 22, 2017

# EXHIBIT A

WCL Letter of Intent

# FRIENDS OF JOSIAH SMITH TAVERN

March 13, 2017

The Women's Community League of Weston, Inc.  
358 Boston Post Road  
Weston MA 02493

Re: Josiah Smith Tavern

This letter will memorialize the agreement between Friends of Josiah Smith Tavern, Inc. ("Friends") and The Women's Community League of Weston, Inc. ("WCL") for a sub-lease of space located at 358 Boston Post Road, Weston, Massachusetts 02493 (the "Property").

Background. Friends has been designated by the Town of Weston (the "Town") as the preferred proponent for the restoration and re-use of the Property. It is contemplated that such re-use will involve a lease of the Property by the Town to Friends, and sub-leases by Friends to several tenants. The buildings on the Property are: (a) the two-story Jones House/Tavern, (b) a one-story barn and a connector building that links the barn with the Jones House/Tavern, and (c) a free-standing building to the west of the Jones House/Tavern (the "West Building").

WCL wishes to sub-lease the following portions of the Property, containing in total approximately 865 square feet (the "Sub-Leased Space"), as shown on the attached Exhibit A:

- a. Room 104 in the Jones House/Tavern, containing approximately 354 square feet.
- b. Room 203 in the Jones House/Tavern, containing approximately 143 square feet.
- c. The West Building, containing approximately 368 square feet.
- d. Corridor/hallway between Room 104 and the West Building, containing approximately 38 square feet.

It is understood and agreed that the foregoing measurements are approximate, and will be finalized after accurate measurements of the Sub-Leased Space are taken. It is not anticipated that such measurements can or will be taken unless Community Preservation Act funding is obtained for architectural and design costs at the May, 2017 Town Meeting.

Friends hereby agrees that the Sub-Leased Space will be renovated in a manner consistent with the renovations to the other structures on the Property, subject to applicable Preservation Restrictions contained in the deed to the Property from Historic New England to the Town dated June 29, 1983 (the "Deed Restrictions") and requirements

of the Town's Historic Commission, except that there will be no running water or indoor plumbing in the West Building. Members and guests of the WCL will have access to common facilities of such type in the remainder of the Sub-Leased Space.

The West Building will be made handicap-accessible by ramps from the exterior and/or the corridor/hallway to Room 104.

1. Sub-Lease Term: In the event that the Town leases the Property to the Friends, Friends would sub-lease the Sub-Leased Space to WCL for a term co-terminous with the lease of the Property to Friends, i.e., if the Town leases the Property to Friends for a ten year term with two five-year options to renew (as currently contemplated), Friends would enter into a sub-lease with WCL with a similar term and options.

2. Access: WCL would have access to the Sub-Leased Space from the east side entrance and hall and the exterior door on the west façade of the Jones House/Tavern, and from all entrances to the West Building. WCL would also have the non-exclusive right to use the main hallway and stairs of the Jones House/Tavern for access to rooms 104 and 203, and the exclusive right to use the corridor/hallway between Room 104 and the West Building.

3. Rent: The rent charged for the Sub-Leased Space shall be \$4.80 per square foot per annum. This rent would be fixed for the first ten years of the sub-lease, with any increase at the end of the initial term to be capped at the lesser of: (a) 3% or (b) the cumulative increase in the Consumer Price Index for All Urban Consumers (CPI-U) for the Boston-Brockton-Nashua area, as announced by the U.S. Bureau of Labor Statistics. WCL would pay separately-metered utilities for the Sub-Leased Space, and a pro-rata share (based on square footage) of common area utilities. There would be no penalty for early termination of the sub-lease of the Sub-Leased Space.

4. Community Room Use: WCL would have shared access to the second-floor ballroom in the Jones House/Tavern (the "Community Room") with other non-profit tenants and the operator of a restaurant to be located in the barn and connector buildings. WCL would have the same rights as other non-profit tenants to the Community Room consistent with column 1 in the chart attached hereto as Exhibit B. In the case of the WCL, it is currently anticipated that "regularly scheduled meetings" would include: (a) two evenings per month for speakers, potluck dinners and workshops and two board meetings per month alternating between mornings from 9 to 11 a.m., and evenings from 7 to 9 p.m. during those times when local Weston non-profit groups have priority as to use of the Community Room, and (b) weekly lunches each Tuesday from 11 a.m. to 2 p.m. in conjunction with its Clothing Exchange hours of operation.

5. Security: The Lease will be secured by a security deposit equal to one month's rent (\$361.20) payable at the time of signing of the sub-lease.

6. Maintenance Obligations: Friends or the restaurant operator will be responsible for: (a) the maintenance, repair and replacement of the Property, including all systems and utilities, elevator, exterior doors and glass, (b) landscaping and maintaining the



parking lot and adjacent public sidewalk at the Property, including snow removal, (c) the roof and the structure of the Jones House/Tavern and the West Building, and (d) the building's septic system.

Friends will arrange for a dumpster for trash of tenants in the Jones House/Tavern, the use of which will be optional. If WCL chooses to use the common dumpster, it would be charged a pro-rata share (based on square footage) of the cost of the same.

7. Sub-Lease Commencement: The Sub-Lease term will commence on such date following the issuance of a certificate of occupancy for the Jones House/Tavern and West Building as Friends and WCL agree on.

8. Parking: WCL will have the right to use the parking lot in common with other tenants.

9. Insurance. WCL shall maintain insurance of the type normally carried by tenants in commercial buildings as to its property located on the Sub-Leased Space.

10. Sublet and Assignment: WCL shall not sublet the Sub-Leased Premises.

11. External Terrace. WCL would have shared access to the exterior terrace area to the east of the West Building, as shown on Exhibit A with other non-profit tenants and the operator of a restaurant in accordance with the priorities set forth in Exhibit B.

12. Signage. It is understood and agreed that the WCL will use the West Building for retail operation of its clothing exchange. WCL will be permitted to place signage on the outside of the West Building relating to such use after consultation with Friends, subject to the Deed Restrictions and applicable municipal codes and requirements. Friends will post internal signage in the Jones House/Tavern indicating the location of the Sub-Leased Space, subject to the Deed Restrictions and applicable municipal codes and requirements.

13. Cooperation: WCL will provide reasonable support and cooperation to the Friends in order to secure Community Preservation Act funds for the development of the Property, and will notify its members promptly after the signing of this letter of its agreement to so support and cooperate with the Friends. WCL would have the right to review and approve in advance any and all news and public relations releases by Friends in which the WCL is mentioned.

If the foregoing is acceptable, please sign in the space provided below.

We look forward to working with you in redeveloping Josiah Smith Tavern.

FRIENDS OF JOSIAH SMITH TAVERN, INC.

By 

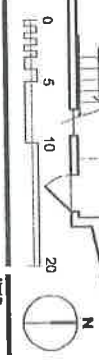
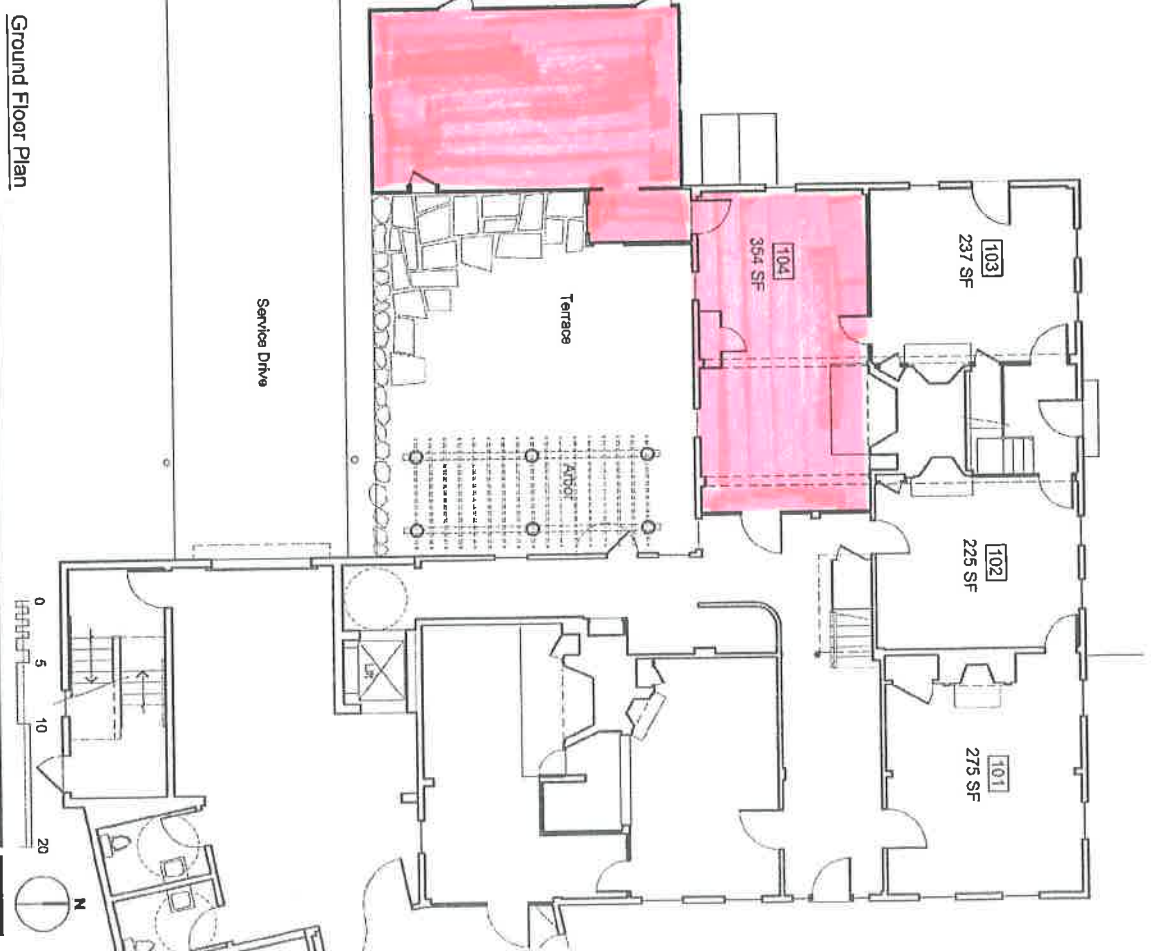
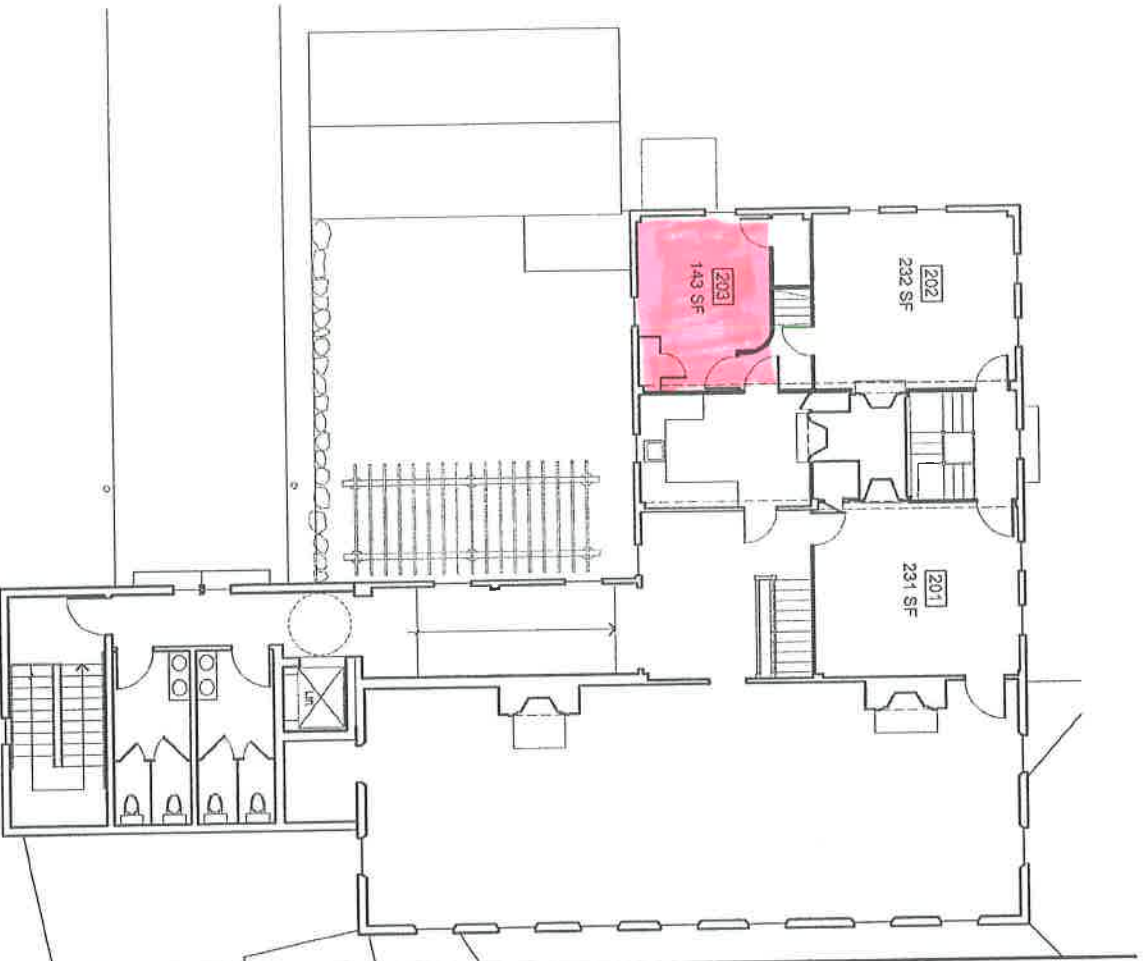
Agreed:  
THE WOMEN'S COMMUNITY LEAGUE  
OF WESTON, INC.

By  

EXHIBIT A  
Sub-Leased Space

EXHIBIT A

 = Women's Community League



Friends of the Josiah Smith Tavern  
171-228-2718

Diagrammatic Floor Plans: Room Designations  
Josiah Smith Tavern, Weston, Massachusetts  
RD1

## EXHIBIT B

### Community Room Usage

	1. Nonprofit tenant	2. Weston nonprofit, not a tenant	3. Weston resident	4. Non-Weston organization	5. Non-Weston individual
Rate	No charge for regular meetings during tenant priority times.	Below-market rate	Market rate for private functions	Market rate	Market rate
Food	Can bring in own food	Can bring in own food	Must use Webbers	Must use Webbers	Must use Webbers
Priority	1 <sup>st</sup> priority, non-Webber times	2 <sup>nd</sup> priority etc.	3 <sup>rd</sup> priority etc.	Subject to availability	Subject to availability
Cleaning charge	None	None if no food, otherwise depends on size of group	Included in pricing	Included in pricing	Included in pricing
Liquor	BYOB*, no sales	BYOB*, no sales	Provided by Webbers	Provided by Webbers	Provided by Webbers
Insurance	Insurance provided under lease	Must insure Town and Friends if liquor is served	Covered by Webbers and Friends	Covered by Webbers and Friends	Covered by Webbers and Friends
Sales of food	To members and guests, not public	To members and guests, not public	No sales	To members and guests, not public	No sales

\*BYOB assumes that liquor license issued by Board of Selectmen permits this.

No subletting

Webber priority:

From close of lunch Friday to close of brunch Sunday, January through May, September through December

## EXHIBIT B

Amendment to Forest & Trail Letter of Intent

# FRIENDS OF JOSIAH SMITH TAVERN

March 7, 2017

George P. Bates, Treasurer  
Weston Forest & Trail Association, Inc.  
266 Glen Road  
Weston MA 02493

Re: Josiah Smith Tavern

Dear George:

Thanks to Forest & Trails for allowing Adrienne Giske and me to present the plan for the re-development of the Josiah Smith Tavern, Inc. last night.

As I mentioned, one of the other prospective non-profit tenants in the Josiah Smith Tavern building has negotiated a reduced rent from the \$6 per square foot per year target figure we had established, namely, \$4.80 per square foot. Accordingly, under Section 3(b) of our letter agreement dated July 25, 2016, Forest & Trail is similarly entitled to this reduced rent.

We appreciate Forest & Trail's support to date and look forward to working with you to see the project to completion.

FRIENDS OF JOSIAH SMITH TAVERN, INC.

By   
Cornelius J. Chapman, President

4831-9187-8724.1

## EXHIBIT C

Revised WHS Letter of Intent



# FRIENDS OF JOSIAH SMITH TAVERN

February 23, 2017

Pamela Fox, President  
Weston Historical Society, Inc.  
686 Boston Post Road  
Weston MA 02493

*Re: Josiah Smith Tavern*

Dear Pam:

This letter will memorialize the agreement between Friends of Josiah Smith Tavern, Inc. ("Friends") and Weston Historical Society, Inc. ("WHS") for a sub-lease of space located at 358 Boston Post Road, Weston, Massachusetts (the "Property").

Background. Friends has been designated as the preferred provider for the restoration and re-use of the Property. It is contemplated that such re-use will involve a lease of the Property by the Town of Weston (the "Town") to Friends, and sub-leases by Friends to several tenants. The buildings on the Property are: (a) the two-story Jones House/Tavern, and (b) a one-story barn and a connector building that links the barn with the Jones House/Tavern.

WHS wishes to sub-lease a total of 969 square feet consisting of Rooms 101 (275 square feet), 102 (225 square feet), 103 (237 square feet) and 202 (232 square feet) in the Jones House/Tavern (the "Sub-Leased Space"). At such time as Friends enters into a lease of the Property with the Town, Friends would sub-lease the Sub-Leased Space to WHS on the following terms.

1. Sub-Lease Term: Friends would sub-lease the Sub-Leased Space to WHS for a term co-terminous with the lease of the Property to Friends, i.e., if the Town leases the Property to Friends for a ten year term with two five-year options to renew (as currently contemplated), Friends would enter into a sub-lease with WHS with a similar term and options.
2. Access: WHS would have access to the Sub-Leased Space through the original front entrance to the Jones House/Tavern and also through the east side entrance and hall. WHS would have the exclusive right to use the original front hallway and stairs for internal access between the four leased rooms, and to enter Room 103 through an exterior door on the west façade of the Jones House/Tavern. WHS would also have the non-exclusive right to use the main hallway and stairs for access to rooms 101, 102, and 202.
3. Rent: The rent charged for the Sub-Leased Space shall be \$4.80 per square foot per annum. This rent would be fixed for the first ten years of the sub-lease. WHS

would pay separately-metered utilities for the Sub-Leased Space, and a pro-rata share (based on square footage) of common area utilities.

4. Right of First Refusal. In the event that Room 104 in the Jones House/Tavern building (354 square feet) becomes available, WHS would have a right of first-refusal to sub-lease the same at an annual rent of \$4.80 per square foot, and would be released from its rental obligations with respect to Room 202 of the Sub-Leased Space.

5. Community Room Use: WHS would have shared access to the second-floor ballroom in the Jones House/Tavern (the "Community Room") with other non-profit tenants and the operator of a restaurant to be located in the barn and connector buildings. WHS would have the same rights as other non-profit tenants to the Community Room.

6. Security: The Lease will be secured by a security deposit equal to one month's rent (\$387.60) payable at the time of signing of the sub-lease.

7. Maintenance Obligations: Friends or the restaurant operator will be responsible for: (a) the maintenance, repair and replacement of the Property, including all systems and utilities, elevator, exterior doors and glass, (b) landscaping and maintaining the parking lot and adjacent public sidewalk at the Property, including snow removal, (c) the roof and the structure of the Jones House/Tavern, and (d) the building's septic system.

Friends will arrange for a dumpster for trash of tenants in the Jones House/Tavern, the use of which will be optional. If WHS chooses to use the common dumpster, it would be charged a pro-rata share (based on square footage) of the cost of the same.

8. Sub-Lease Commencement: The Sub-Lease term will commence on such date following the issuance of a certificate of occupancy for the Jones House/Tavern as Friends and WHS agree on.

9. Parking: WHS will have the right to use the parking lot in common with other tenants.


10. Insurance. WHS shall maintain insurance of the type normally carried by tenants in commercial buildings as to its property located on the Sub-Leased Space.

11. Sublet and Assignment: WHS shall not sublet the Sub-Leased Premises.

If the foregoing is acceptable, please sign in the space provided below.

We look forward to working with you in redeveloping Josiah Smith Tavern.

FRIENDS OF JOSIAH SMITH TAVERN, INC.

By   
Cornelius J. Chapman, President

Agreed:  
WESTON HISTORICAL SOCIETY, INC.

By   
Pamela Fox, President

4829-7467-3219.3

# EXHIBIT D

## Community Room Usage Grid

## JOSIAH SMITH TAVERN COMMUNITY ROOM

	Nonprofit tenant	Weston nonprofit, not a tenant	Weston resident	Non-Weston organization	Non-Weston individual
Rate	No charge for regular meetings during tenant priority times.	Below-market rate	Market rate for private functions	Market rate	Market rate
Food	Can bring in own food	Can bring in own food	Must use Webbers	Must use Webbers	Must use Webbers
Priority	1 <sup>st</sup> priority, non-Webber times	2 <sup>nd</sup> priority etc.	3 <sup>rd</sup> priority etc.	Subject to availability	Subject to availability
Cleaning charge	None	None if no food, otherwise depends on size of group	Included in pricing	Included in pricing	Included in pricing
Liquor	BYOB*, no sales	BYOB*, no sales	Provided by Webbers	Provided by Webbers	Provided by Webbers
Insurance	Insurance provided under lease	Must insure Town and Friends if liquor is served	Covered by Webbers and Friends	Covered by Webbers and Friends	Covered by Webbers and Friends
Sales of food	To members and guests, not public	To members and guests, not public	No sales	To members and guests, not public	No sales

\*BYOB assumes that liquor license issued by Board of Selectmen permits this.

No subletting

Webber priority:

From close of lunch Friday to close of brunch Sunday, January through May, September through December

# EXHIBIT E

Pro Forma

# Josiah Smith Tavern

	Low	High
<b>Income</b>		
Rent (WCL)	3,422	3,422
Rent (Forest & Trail)	1,109	1,109
Rent (WHS)	4,651	4,651
Restaurant fixed rent	80,000	80,000
Restaurant percentage rent	15,000	69,000
Income from Trust	6,000	6,000
Property taxes	15,590	16,067
Ballroom rental	15,000	15,000
<b>Gross Income</b>	<b>140,772</b>	<b>195,249</b>
<b>Expenses</b>		
Property Management Fee	\$13,500	13,500
Operations & Maintenance	28,800	28,800
Replacement Reserve	29,000	29,000
<b>Total Expenses</b>	<b>71,300</b>	<b>71,300</b>
<b>Net Operating Income</b>	<b>\$69,472</b>	<b>123,949</b>