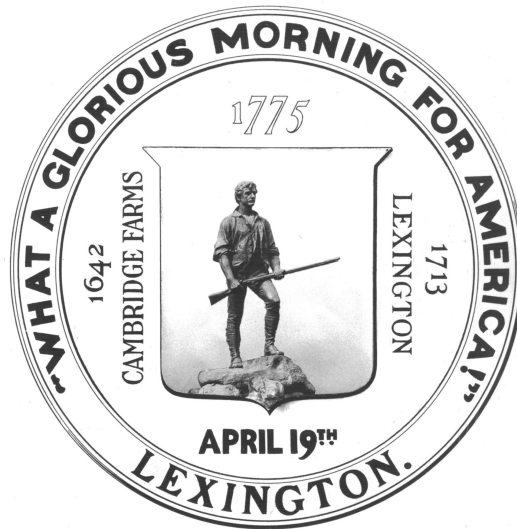


CAPITAL EXPENDITURES COMMITTEE

TOWN OF LEXINGTON



REPORT TO THE November 13, 2018, SPECIAL TOWN MEETING (STM) 2018-1

Released November 6, 2018

Submitted by:

Charles Lamb, Chair
David G. Kanter, Vice-Chair & Clerk
Sandhya R. Beebee
Rodney Cole
Wendy Manz
Frank Smith

Starts on Reverse

Warrant-Article Explanations and Recommendations

Cites of the “Town Warrant” refer to the “TOWN WARRANT, Town of Lexington” for the Special Town Meeting on November 13, 2018.

Special Town Meeting (STM) 2018-1

ARTICLE 3: APPROPRIATE FOR CENTER STREETSCAPE DESIGN	Fund Authorization Requested	Funding Source	Committee Recommends
	\$650,000	Cash (see below)	Approval (6–0)

“To see if the Town will vote to raise and appropriate a sum of money to pay costs of design, engineering and architectural services for the Center Streetscape, and all other costs necessary or incidental thereto; determine whether the money shall be provided by the tax levy, by transfer from available funds, by borrowing or by any combination of these methods; or act in any other manner in relation thereto.”

“DESCRIPTION: These funds will complete the design work on the Center Streetscape design.”

(Town Warrant)

The Center Streetscape Project is intended to restore and improve the Town Center’s sidewalks; lighting; tree cover; pedestrian, bicycle and vehicular access and safety; and general attractiveness for residents, visitors, and local businesses. Originally designed as only a Center Business District sidewalk project, the initial 25% design work was funded with \$240,000 at the 2012 Annual Town Meeting (ATM), and the rough estimate of the total cost at that time was \$3,600,000 to \$4,000,000. Since then, the project has been through several public reviews and redesigns, with substantial changes to the scope of the project and its associated estimated design and construction costs.

At the time of the 2013 ATM, the costs were estimated, in the 5-Year Capital Plan, at \$300,000 to complete the 100% design, and \$3,500,000 for construction. The project was still called a sidewalk project and was limited to the north side of Massachusetts Avenue from Depot Square to the Town Office Building. At the 2014 ATM, \$600,000 was appropriated to reach a 100% design, with construction funding then estimated to be \$6,675,000. This cost estimate was considered a placeholder by the Town, because the scope had already increased to include other streetscape improvements (such as lighting), and the previous design work had not yet been updated.

At the February 10, 2016, Budget Summit, a presentation estimated the total cost of the project at \$8,500,000. Because of continuing concerns about the program’s scope, no further design work was done at that point. Instead, at its meeting on February 22, 2016, the Board of Selectmen (BoS) formed the Ad Hoc Center Streetscape Design Review Committee, to pull together and review all aspects of the project and to seek more community input before proceeding to a new 25% design. In 2017, the BoS adopted almost all that committee’s consensus recommendations, and the project has proceeded to a revised 25% design using the previous funding, with a considerably different set of design elements than those represented in the previous 25% design.

At the 2018 ATM, a request for \$450,000 to finish the design and create a 100%-design construction-cost estimate was postponed because of the on-going debate about how to address the Woburn Street intersection upgrade. A \$7,500,000 “rough” cost estimate, based on a not quite-complete 25% design, was put forward at that time. The BoS subsequently decided to remove much of the work at that intersection from the project scope and leave it to be a separate, future, project.

The current \$650,000 request for this STM is to complete a 100% design of the now reduced scope. The \$200,000 increase in requested design funds is largely due to: 1) the need to integrate the findings of a recent historic-resources assessment, as well as a detailed tree inventory and management plan; 2) the added costs of additional meetings with the design contractor and the Town Manager’s working group—made up of members of the original Ad Hoc Committee that was formed to help guide the project; and 3) additional work needed to further refine the sidewalk tree planting and overall lighting plans.

The full construction-cost estimate of the Center Streetscape Project now stands at \$9,372,350. The Town’s Design Team, managed by the Department of Public Works, through its extensive work with the Ad Hoc Committee, direction from the Board of Selectmen, and leadership of the Working Group, believes that it has a thoroughly vetted and well-supported view of the project at this point. This Committee is confident in the quality of the work done by that Team to produce the revised 25%-design construction-cost estimate.

This Committee is also supportive of the need for some work to be done on the Center Streetscape, but is troubled by the past growth of the design and construction cost estimates. A single FY2020 construction appropriation is now planned, and while having a single appropriation and contract to ensure continuity throughout the project is a good idea, that timing will mean this request is competing against many other expensive projects next year. The total capital requests being considered for FY2020 are larger than what last year’s ATM approved, making it a challenge to compete for the Town’s limited funding resources.

But there is a “big-picture” concern: This project has not been included in the Town’s capital-funding model. (This concern would apply to any other project brought forward under these circumstances.) While this Committee appreciates that only by completing the design to 100% will we get a firm and final cost estimate and keep this project on its current timeline, it sees an overriding problem. The question for this Committee—and this Special Town Meeting—is whether we consider it wise to spend the \$650,000 if only later to find that an already more-expensive project than previously expected could be too expensive for the Town’s current financial plans.

This Committee believes that issue, and the risk entailed, cannot properly be understood, and thus considered, without knowing this project’s impact on the Town’s long-term capital planning. In turn, that impact can only be properly understood when this project’s funding, including debt service, over time can be considered along with all the other major projects now recognized as being in the pipeline. That necessitates an updated capital-funding model as, among other changes that need to be addressed, this project had not been included at all—much less at its current higher cost estimate—along with other capital projects to be approved. Looming over that Capital plan is also the challenge of funding for a new or renovated High School—a multi-hundred-million-dollar project that has not been fully addressed.

This Committee joins others who have concerns about the rising burden on our Town’s taxpayers. While we appreciate there are improvements, replacements, and enhancements needed to our existing facilities and infrastructure to maintain the services that our citizens and business

demand, we all must judge that each project we approve and its timing are both justified and prudent.

Normally this Committee would oppose this project because of the absence of a long-term Capital plan and adequate modeling of the financing challenges the Town faces. However, we have been assured there will be a new model that includes this project before the 2019 ATM. Further, as there is need for completing this project by 2024, that requires the construction funding be in FY2020 in that new model. We are assuming the Town will prioritize this project so that will be the case—which may require delaying other large capital projects.

While this appropriation is to provide for 100% design and construction document, we expect there will be a cost estimate delivered at the 75% design, a “checkpoint”, that will provide confidence in the current \$9,372,350 construction cost estimate.

Finally, our unanimous support for this appropriation is predicated on cash funding, but not from the Capital Stabilization Fund.

ARTICLE 5: APPROPRIATE FOR HOSMER HOUSE REUSE STUDY	Fund Authorization Requested	Funding Source	Committee Recommends
	\$50,000	Cash (see below)	Approval (6–0)

“To see if the Town will vote to raise and appropriate a sum of money to fund the Hosmer House Building Feasibility Study; determine whether the money shall be provided by the tax levy, by transfer from available funds, by borrowing, or by any combination of these methods; or act in any other manner in relation thereto.”

“DESCRIPTION: In light of the police station design project being approved in 2017, the Hosmer House will need to be relocated in order for construction of a new police station to move forward. This study will best determine the location (current or off-site) for the Hosmer House, cost to move the building and proposed use of the building.”

(Town Warrant)

The Hosmer House, built in 1841, has been a fixture in Lexington’s town center and was used for several Town administrative functions from the 1930s until the building was finally vacated in 2009.

In 2010, the Department of Public Facilities commissioned a study performed by Bargmann Hendrie + Archetype to come up with several scenarios for preserving the Hosmer House. At the 2012 ATM, under Article 16(e), \$381,000 was appropriated to stabilize the foundation and the exterior envelope of the main house (\$232,410) and to demolish the rest of the structure (\$148,590). The work was completed in FY2016. The Historic District Commission (HDC) had ruled prior to that ATM that the building could not be moved off the current site (the plot next to the Police Station and bounded on three sides by Massachusetts Avenue, Woburn Street, and Fletcher Avenue) and to outside the Historic District, but was interested in the House being stabilized and discussing possibly moving the House elsewhere on the current site. No further funds have been appropriated to investigate a future role for the Hosmer House.

The current design for the new Police Station requires that the Hosmer House be moved and \$1,100,000 is included in the latest Police Station construction budget to do that on the same site.

As described above, this Article’s request is to determine the best location to which to move the House, the costs to move the House, and the proposed use. We anticipate that relocating the Hosmer House to another site elsewhere in Lexington would be considerably more expensive due to additional costs at least from the move itself and the site preparation and landscaping.

Even if the HDC were to approve a move off site not now having such an off-site location to consider, the process and delay to have any such site ready to receive the House in time is highly unlikely and we feel that risk to the Police-Station completion on schedule is unacceptable. If the HDC will only permit a move on the current site, such a move is already a budgeted element of the Police-Station Project.

Therefore, this Committee believes the study must be confined to an assessment of the current site for possible placement of the House and its integration with any activities currently occurring on that site—if they should be recommended to continue—and to proposed use(s) of the House in that location.

This Committee’s unanimous support for this appropriation is predicated on:

- a. The HDC having approved moving the Hosmer House on the current site; any HDC–authorized re-location providing at least the distance from the Police-Station required by its design; and the move is consistent with that design budget’s allocation to accomplish it;
- b. The Hosmer House Reuse Study shall be confined to the House’s current site; and
- c. This appropriation is funded with cash, but not from the Capital Stabilization Fund.

ARTICLE 8: ESTABLISH AND APPROPRIATE TO AND FROM SPECIFIED STABILIZATION FUNDS (SFs) (Only those actions related to Capital)	Funds Requested	Funding Source	Committee Recommends
	Capital SF		
	Deposit \$45,004.00	Cash	Approval (6–0)
	Transportation Management Overlay District SF		
	Deposit \$4,776.00	First payment due under the Memorandum of Understanding (MOU) associated with the approval for development at 3 Maguire Road	Approval (6–0)
	Ambulance SF		
	Not Applicable Establish Only	Not Applicable	Approval (6–0)

“To see if the Town will vote to create, amend, dissolve, rename and/or appropriate sums of money to and “To see if the Town will vote to create, amend, rename and/or appropriate sums of money to and from Stabilization Funds in accordance with Section 5B of Chapter 40 of the

Massachusetts General Laws for the purposes of: (a) Section 135 Zoning By-Law, (b) Traffic Mitigation, (c) Transportation Demand Management/Public Transportation, (d) Special Education, (e) Center Improvement District, (f) Debt Service, (g) Transportation Management Overlay District, (h) Capital, (i) Payment in Lieu of Parking, (j) Visitor Center Capital Stabilization Fund, (k) Affordable Housing Capital Stabilization Fund, (l) Water System Capital Stabilization Fund, and (m) Ambulance Stabilization Fund; determine whether the money shall be provided by the tax levy, by transfer from available funds, from fees, charges or gifts, or by any combination of these methods; and further, to accept paragraph four of Section 5B of Chapter 40 of the Massachusetts General Laws, dedicating certain fees, charges, gifts or receipts to a stabilization fund; or act in any other manner in relation thereto.”

“DESCRIPTION: This Article proposes to establish, and/or fund Stabilization Funds for specific purposes and to appropriate funds therefrom. Money in those funds may be invested and the interest may then become a part of the particular fund. These funds may later be appropriated for the specific designated purpose, by a two-thirds vote of an Annual or Special Town Meeting, for any lawful purpose.”

(Town Warrant)

Capital SF: Adds available funds to augment the amount available in this SF for later use in the mitigation of the tax-payer burden for approved Capital projects.

Transportation Management Overlay District SF: Used for financing transportation-infrastructure improvements.

Ambulance SF: Would be used to hold funds received by the Town for the purpose of purchasing one or more ambulances.