

CAPITAL EXPENDITURES COMMITTEE

TOWN OF LEXINGTON



REPORT TO THE
November 2, 2015, SPECIAL TOWN MEETING (STM) #2
Released October 26, 2015

Submitted by:

Jill I. Hai, Chair
David G. Kanter, Vice-Chair & Clerk
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Starts on Reverse

Warrant-Article Explanations and Recommendations

Cites of the “Town Warrant” refer to the “Town of Lexington Warrant for the 2015 Special Town Meeting #2”, November 2, 2015.

*Abbreviations: CPF = Community Preservation Fund; GF = General Fund;
SF = Stabilization Fund; TBD = To Be Determined; ATM = Annual Town Meeting;
STM = Special Town Meeting*

| <i>TM#2 Article 3: Transfer of Property to LexHAB</i> | Amount Requested | Funding Source | Committee Recommends |
|--|-------------------------|-----------------------|-----------------------------|
| | N/A | N/A | Approval (5–0) |

“To see if the Town will vote to authorize the Board of Selectmen to transfer the land known as 34 Lowell Street...to the Lexington Housing Assistance Board, Inc. (“LexHAB”) for nominal consideration, or act in any other manner in relation thereto.”

[Town Warrant]

The Town owns this parcel as it was part of the purchase of the Busa Farm land (May 6, 2009, Special Town Meeting, Article 6); however, in order for LexHAB to participate in the State’s Local Initiative Program (LIP) “that encourages the creation of affordable housing by providing technical assistance to communities and developers who are working together to create affordable rental opportunities for low-and moderate-income households”¹, LexHAB needs to own the property.

The requested authorization will permit the transfer to LexHAB—which can then complete the approval process required by the State’s Department of Housing and Community Development. That approval will allow the units to be built on the site to be included in the State’s Subsidized Housing Inventory (SHI). It is the SHI that determines whether a municipality has met the 10% affordable-housing-unit threshold specified in the State’s Chapter 40B and, thereby, be protected from developments that don’t have to comply with the municipality’s zoning provisions.

At the time of this report and using the State’s current method for counting units for the SHI, Lexington has 11.19% of its housing units on the SHI, but must continually add new SHI-eligible units to help ensure the Town does not fall below the 10% threshold when that percentage is recalculated after each Federal Census.

| <i>TM#2 Article 4: Appropriate For Water System Improvement</i> | Amount Requested | Funding Source | Committee Recommends |
|--|-------------------------|-------------------------------------|-----------------------------|
| | \$2,500,000 | Water Enterprise Fund (Debt) | Approval (5–0) |

“To see if the Town will vote to make water distribution system improvements, including the installation of new water mains and replace or clean and line existing water mains and standpipes, conduct engineering studies and purchase and install equipment in connection therewith, in such accepted or unaccepted streets or other land as the Selectmen may determine, subject to the assessment of betterments or otherwise; and to take by eminent domain, purchase or otherwise acquire any fee, easement or other interest in land necessary therefor; appropriate money for such improvements and land acquisition...; to

¹ <http://www.mass.gov/hed/community/40b-plan/local-initiative-program-lip.html>

determine whether the Town will authorize the Selectmen to apply for, accept, expend and borrow in anticipation of or from federal and state aid for such projects; or act in any other manner in relation thereto.”

“DESCRIPTION: Funds requested in this article will be used to repair and replace large water mains in east Massachusetts Avenue. Some of these water mains date from 1896 and have deteriorated and have pin-hole size leaks.”

[Town Warrant]

The Town’s water mains from the Arlington line to Woburn Street, which deliver potable water, range in age from 119 years to 80 years. They have served Lexington well. A series of investigative tests for tensile strength and corrosion were conducted by engineering consultants for the Department of Public Works (DPW). Test results indicated that the aging water mains were beyond repair and will need replacement. It also was found that not replacing the aging water mains would leave the Town vulnerable to emergency water main breaks and costly emergency repairs.

This funding request is for the first segment of the proposed replacement work, replacing the water mains on Massachusetts Avenue between Pleasant Street and Marrett Road, with additional replacement work in the Woburn Street area. A significant portion (\$1,878,985) of the replacement work is eligible for Massachusetts Water Resource Authority zero-interest loans.

This Committee strongly supports water-main strategic replacement with the expectation that there will be future DPW funding requests for the remaining water-main segments requiring replacement in the Arlington to Woburn Street area.

| TM#2 Article 5: Appropriate For Property Improvements—241 Grove Street | Amount Requested | Funding Source | Committee Recommends |
|---|-----------------------------|--|-----------------------------|
| | \$200,000 | CPF (Cash)(Community Housing) | Approval (5–0) |

“To see if the Town will vote, upon recommendation of the Community Preservation Committee [CPC], to raise and appropriate a sum of money to remodel, reconstruct and make extraordinary repairs and related improvements to the existing farm house at 241 Grove Street for community housing purposes, and for other mitigation to the property, determine whether the money shall be provided by the tax levy, by transfer from available funds, including the Community Preservation Fund, by borrowing, or by any combination of these methods; or act in any other manner in relation thereto.”

“DESCRIPTION: This article is to request funding for necessary improvements to the farm house on the Wright Farm property owned by the Town in order to provide a unit of affordable housing.”

[Town Warrant]

A request for the funding to make those improvements to the farm house was originally planned to be included along with the request to purchase the land (2015 ATM, Article 9) for both affordable housing and conservation land; however, the scope of that Article’s language did not include improvements. (This Committee noted at the time that a future Town Meeting would be asked to fund that work.)

The estimate last year for the renovations to make the house into an affordable 4-bedroom unit—based on an initial walk-through—was on the order of \$140,000. A walk-through last month led to a revised estimate that made provision for additional work found to be needed and, in discussion with the CPC, there is now an additional contingency allowance for the potential of having to do the work in accordance with historical-preservation specifications and procedures. (As with any appropriation, if the approved amount is not required to accomplish the purpose described to Town Meeting at the time of the request, the unused funds are returned to the source or, if for debt that wasn’t issued, the authority is ultimately rescinded.)

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This Committee anticipates that funding might be requested at a future Town Meeting from the CPF for a Community Housing expense for any mitigation work done on the portion of the property planned for affordable housing and for an Open Space expense for work done on the balance of the property which is planned for conservation purposes.

| | | | |
|--|-----------------------------|---------------------------|-----------------------------|
| <i>TM#2 Article 6: Appropriate Funds for Fire Station Study</i> | Amount Requested | Funding Source | Committee Recommends |
| | \$20,000 | GF (Cash) | Approval (5–0) |

“To see if the Town will vote to appropriate a sum of money for studying potential sites for a fire station; 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: This article is to request funding for evaluating potential sites for a fire station.”

[Town Warrant]

This Committee appreciates that specific sites cannot be made public at the time of this report as such identification in an open meeting may have a detrimental effect on the negotiating position of the Town.

Notwithstanding that the specific sites to be studied cannot be identified, in light of the important need to provide a modern Fire Department Headquarters located to allow acceptable response times, this Committee has endorsed, and will continue to endorse, the Town’s diligent evaluation of all potential sites for such a Headquarters and, therefore, the funding requested under this Article.

| | | | |
|--|-----------------------------|--|--|
| <i>TM#2 Article 7: Amend FY2016 Operating, Enterprise Fund and Community Preservation Budgets</i> | Amount Requested | Funding Source | Committee Recommends |
| | TBD | State Supplement to the Community Preservation Fund | Approval or Indefinite Postponement (5–0) |

“To see if the Town will vote to make supplementary appropriations, to be used in conjunction with money appropriated under Articles 4, 5 and 8 of the warrant for the 2015 Annual Town Meeting, to be used during the current fiscal year, or make any other adjustments to the current fiscal year budgets and appropriations that may be necessary; to determine whether the money shall be provided by the tax levy, by transfer from available funds, from Community Preservation funds or by any combination of these methods; or act in any other manner in relation thereto.”

[Town Warrant]

At the time of this report, the only potential amendment on which this Committee would report is one to adjust the Community Preservation Budget once the actual FY2016 State supplement to the Town is known. However, as that amount is usually not released by the State until later in November than this STM is expected to be in session, if that should be the case, this Committee would support Indefinite Postponement of any action on that Budget. If that amount should be known while this STM is in session, as any request would be simply to adjust the budget using the actual supplement, this Committee would support that amendment.

| <i>TM#2 Article 8: Appropriate To and From Specified Stabilization Funds</i> | Amount Requested | Funding Source | Committee Recommends |
|---|--|---|-----------------------------|
| | Appropriations To totaling \$87,826.45 as described below | Special Revenue Accounts for each of the Funds | Approval (5–0) |

“To see if the Town will vote to 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) School Bus Transportation, (e) Special Education, (f) Center Improvement District; (g) Debt Service, (h) Transportation Management Overlay District, (i) Avalon Bay School Enrollment Mitigation Fund, and (j) Capital Projects; and determine whether the money shall be provided by the tax levy, by transfer from available funds, or by any combination of these methods; or act in any other manner in relation thereto.

[Town Warrant]

Note: All of the Town’s Specified Stabilization Funds are in addition to the Town’s General Stabilization Fund. See the Appendix for a table with information on all the current Specified Stabilization Funds.

The only two of the funds identified in the Warrant under this Article with capital implications and for which actions are contemplated at this Special Town Meeting have appropriations to them as results of the payments to the Town as follow—all made in connection with approval of a property-development project in Town. (The balances are as of October 19, 2015.)

a. (b) The Traffic Mitigation SF—whose balance is \$107,026.72: \$481.45 from Cubist Pharmaceuticals.

b. (h) Transportation Management Overlay District SF—whose balance is \$10,778.56: \$87,345.00 from King Street Properties.

| <i>TM#2 Article 9: Appropriate For Authorized Capital Improvements</i> | Amount Requested | Funding Source | Committee Recommends |
|---|-----------------------------|---------------------------|--|
| | N/A | N/A | Indefinite Postponement (5–0) |

“To see if the Town will vote to make supplementary appropriations to be used in conjunction with money appropriated in prior years for the installation or construction of water mains, sewers and sewerage systems, drains, streets, buildings, recreational facilities or other capital improvements and equipment that have heretofore been authorized....”

“DESCRIPTION: This is an article to request funds to supplement existing appropriations for certain capital projects in light of revised cost estimates that exceed such appropriations.”

[Town Warrant]

At the time of this report, there is no planned action under this Article.

Appendix: Information on the Town's Current Specified Stabilization Funds

Review of Lexington's Specified Stabilization Funds for Applicability to the Lexington Capital Expenditures Committee's Reports to a Lexington Town Meeting

| Town Warrant, Town of Lexington, for Special Town Meeting #2 on 2 Nov 2015, signed 5 Oct 2015 Article 8: Appropriate To and From Specified Stabilization Funds | | | | | |
|---|--|---|--|-----------------|--|
| "To see if the Town will vote to 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) School Bus Transportation, (e) Special Education, (f) Center Improvement District; (g) Debt Service, (h) Transportation Management Overlay District, (i) Avalon Bay School Enrollment Mitigation Fund, and (j) Capital Projects; and determine whether the money shall be provided by the tax levy, by transfer from available funds, or by any combination of these methods; or act in any other manner in relation thereto." | | | | | |
| Sequence | Warrant Name | Town Meeting (ATM=Annual; STM=Special) Created | Purpose | Capital Related | Comment |
| (a) | Section 135 Zoning By-Law | 2007 ATM, Art 39 | "for the purpose of financing public improvements pursuant to Section 135 of the Code of Lexington" | Yes | |
| (b) | Traffic Mitigation | 2007 ATM, Art 39 | "for the purpose of financing traffic mitigation projects pursuant to conditions of special permits issue by the Town" | Yes | |
| (c) | Transportation Demand Management/Public Transportation | 2007 ATM, Art 39 | "for the purpose of supporting the operations of Lexpress Bus Service" | No | |
| (d) | School Bus Transportation | 2007 ATM, Art 39 | "for the purpose of supporting transportation of students to and from school on a daily basis" | No | |
| (e) | Special Education | 2008 ATM, Art 24 | None stated when created, but Appropriation Committee Report to that Town Meeting says "for setting aside reserves to help cover unexpected out-of-district Special Education expenses that exceed budget" | No | |
| (f) | Center Improvement District | 2009 ATM, Art 25 | "to fund needed improvements in Lexington Center" | Yes | |
| (g) | Debt Service | 2009 ATM, Art 26 | "for the purpose of paying a portion of the debt service on certain outstanding bonds of the Town issued for the purpose of the Diamond Middle School, Clarke Middle School and High School construction projects" | Yes | |
| (h) | Transportation Management Overlay District | 2011 ATM, Art 20 | "for the purpose of financing transportation infrastructure improvements per Section 135-43C of the Code of the Town of Lexington" | Yes | |
| (i) | Avalon Bay School Enrollment Mitigation Fund | 2011 ATM, Art 20 | "to mitigate the cost of students attending the Lexington Public Schools who reside at Avalon Bay" | No | |
| (j) | Capital Projects | 2012 STM 19 Nov, Art 3, & renamed under 2015 ATM, Art 26e | Originally name "Capital Projects/Debt Service Reserve/Building Renewal Fund"; purposes remained the same when renamed | Yes | Name should not include "Projects" as that was not included in the renaming. |