

RUSTCRAFT ROAD FREQUENTLY ASKED QUESTIONS

Project Details

1. How and when did this project start?

The Board of Selectmen became aware in January, 2013 that the Rustcraft Building on Rustcraft Road would be sold at auction in February. Even though the Town cannot bid on property auctions such as this due to public bidding laws, the Board felt this might be an opportunity to investigate options with the new prospective owner given the Town's ongoing discussions to construct new facilities for various departments. Going back to an RFP the Board issued in November, 2011, and again in February, 2012 for a location that would centralize Town facilities, the Board of Selectmen felt the Rustcraft Building could present a unique and important opportunity. The site was one of just a few in Town with the space to consolidate several Town functions into one building. The cost of renovating existing space is lower than the cost to build new space and could represent a cost-savings opportunity.

In February, the Board of Selectmen directed the Town Administrator to inform The Davis Companies (which acquired the property at auction) of the Town's interest in exploring potential acquisition of a portion of the building. Between March and today, initial architectural work was performed, negotiations were held and an agreement in principle was reached on a price to acquire a portion of the building for Town use.

2. How much will it cost?

The acquisition cost is \$18 million and the Town will invest \$10 million thereafter on interior fit-out. Total cost for the project is therefore estimated at \$28 million.

3. How will it affect my taxes?

The acquisition is not expected to have an impact on your property taxes. Our plan is to pay for this project by bonding (borrowing) the money, and, subject to Town Meeting approval, to pay back that bond using the funds accumulated in the Robin Reyes Major Capital Facilities Stabilization Fund. This is the fund created in late 2009 at a Special Town Meeting into which the Town has been depositing revenue from local option hotel and meals taxes. Currently, there is \$3.5 million in the Fund and projected revenues in the future average about \$1.2 million a year. The transfer of funds in Article 13 of the November Special Town Meeting in November would bring the fund balance to about \$4.1 million. All transfers in and out of the Robin Reyes Fund must be approved by a two-thirds vote of Town Meeting.

Based on financial projections we can demonstrate that the Town can borrow the \$28 million needed for this project and repay it over 30 years. In addition and as per current policy, as the funding for this project is proposed, the Town will continue to maintain a

minimum balance of \$1 million in the Fund at all times.

4. How much space are we discussing?

The Town expects to acquire a portion of the existing building with approximately 224,000 square feet of total floor area. The unit would be the section to the left of the existing Red Cross entrance when looking at the building from Rustcraft Road, from the front of the building through to the back. An aerial view of the building is below. We are proposing to purchase the area to the left of the red line.



5. How will the space be used?

The plan is for the space to be used to as a Police Station (21,000 sq. feet), Senior Center (16,000 square feet), and Town Hall (35,000 square feet). Initial plans also include space for Town Engineering, and potentially, a cafeteria, and a Parks and Recreation garage. The Town Employees Credit Union may also be re-located to the Rustcraft building. This leaves approximately 114,000 square feet for future Town use and development, or for leasing or selling to other parties.

6. Is there a site plan available that shows the portion of building we are buying?

See the image used in answering Question 4. As we receive additional plans, we will share them on the website and in other public locations, and they will also be available upon request as are other public records.

7. What will we do with the vacant space?

The vacant space amounts to 114,000 square feet. We expect to seek appropriate tenants for that space utilizing statutory procedures for disposition of Town property.

8. How do we expect that space to be filled?

The Town would immediately begin marketing the space. Possible tenants include other government agencies, non-profit groups and for-profit firms.

9. How was estimated lease price for such space determined?

One of the Town's consultants with extensive experience in the commercial real estate field based his estimate on the latest information he has available.

10. Who will be responsible for building maintenance?

The Town plans to buy a portion of the building in the form of a condominium unit. The Town will own its unit outright and interior maintenance of the unit will be the Town's sole responsibility. The responsibility for maintenance of the condominium common areas, which are expected to include the lands outside the building and any portion of the building, such as the roof, that is integral to the building as a whole, will be determined as set forth in the condominium agreement. Prior to purchase of the Town's unit, the Board of Selectmen will negotiate the terms of the condominium agreement with The Davis Companies in order to satisfactorily protect the Town's interests. It is expected that maintenance of the common areas used by all unit owners will be the responsibility of the condominium association. The cost of this maintenance will be paid by the unit owners through fees assessed by the condominium association.

11. Who will own the roof?

With the exception of such portions of the roof as are designated in the master deed as being part of individual units, the roof will be owned in common by the unit owners in the condominium as part of the common area. The master deed has not been prepared yet and the Selectmen may request that the master deed provide the Town with sole ownership and/or control of such portion of the roof as is consistent with the Town's interests.

12. I want to be assured that the Town has appropriate control over the Condo Association actions. What if the Town does not like the Condominium Association rules - can it walk away from the deal?

This is a commercial grade acquisition and is NOT structured like a condominium agreement that most people would be familiar with in a residential context. The Town will negotiate with The Davis Companies to create a condominium agreement that best serves the interests of the Town of Dedham, including, as suggested, appropriate control over condominium association actions. More often than not, residents have compared the Rustcraft Road Project to a condominium that one could purchase for residential purposes. In such situations the buyer acquires a condominium unit subject to an already existing condominium agreement and has no ability to negotiate the terms of that agreement.

However, if a residential condominium buyer does not like the terms of the existing condominium agreement, the buyer can either walk away or purchase the unit and accept the terms of the agreement as they exist. In that example, the terms of the condominium are set and are not negotiable. The Rustcraft Road purchase is significantly different in that no condominium agreement currently exists. Once the Board has authority to purchase the property, it will gain the leverage to effectively negotiate the terms of the condominium agreement. As part of that process, the Board will work with the Town Administrator and Town Counsel to negotiate with The Davis

Companies the terms of the condominium agreement most protective of the Town's interests, which will of course include provisions establishing strict limits on actions that would impose financial and other obligations on the Town against its' will. If the Board of Selectmen determines that a satisfactory agreement cannot be reached, the Board can reject the purchase outright (i.e., refuse to consummate the deal) or continue to negotiate the terms until a more acceptable agreement is reached.

13. Were either the municipal parking lot (Keystone lot) or the old Avery School considered as potential sites for any or all of these functions?

Studies of Dedham Square show the municipal parking lot is needed for parking until a new parking plan is explored. If it were used for municipal buildings, the parking would have to be replaced, and there is no clear answer as to how that would happen. The old Avery School was not considered because Town Meeting last year authorized the Board of Selectmen to enter into a lease with a group which would use the building as an arts and community center.

14. What will the effect be on Dedham Square if Town Hall and the Police Station relocate to Rustcraft Road?

The Board of Selectmen retained the services of a consulting firm to evaluate the real estate market and recommend the highest and best uses for the Town Hall and Police Station sites, should the Rustcraft proposal be approved. For both sites, mixed use buildings are being recommended to ensure the Square continues to see the traffic of visitors necessary for a vibrant commercial center. Mixed use buildings are defined as a combination of retail, restaurant, office and residential space. It is our hope that this approach would bring more activity to the square than the Town Hall and Police Station currently generate. If the Rustcraft proposal is approved then the Board of Selectmen will evaluate the options of selling or executing ground leases for one or both sites. It is proposed that any money from the sale or ground lease would be transferred into the Robin Reyes Fund to be "reserved" for future projects and not be used for the Rustcraft project. Any transfer of these funds would require a 2/3 vote at Town Meeting. See the website www.dedham-ma.gov/rustcraft to read the consulting reports by Beta, NR&A and the Urban Land Institute.

15. What else is in the Rustcraft Building?

The total building is 505,000 square feet. The current tenants include Red Cross, Federal Reserve, and Record Keeper.

16. What happens if The Davis Companies sells the remainder of the building after the Town acquires its unit?

The Town would own its portion of the building and would remain subject to the terms of a condominium agreement established for the entire property when the sale is finalized. The new prospective owner would be required to honor those same condominium conditions established for the Town. The new owner would continue to abide by any applicable Zoning By-Laws and Planning Board regulations.

Process

17. If Town Meeting approves this project, what is the process following that?

This project would be subject to review by the Planning Board, Conservation Committee and the Zoning Board of Appeals, as well as inspections by all applicable inspectors, including Building, Fire, Electrical and Plumbing. The Building, Planning and Construction Committee (BPCC) will take responsibility for the project if Town Meeting approves the project.

18. Shouldn't Town Meeting have given its approval before the Selectmen negotiated with The Davis Companies?

Town Meeting approval is not required to negotiate the terms of a prospective purchase of real estate. It is needed, of course, to authorize the acquisition of real estate and to appropriate the necessary funds.



In this negotiation, the Board of Selectmen has followed past procedure used when the Town purchased the St. Mary's parking lot on High Street, the former Henry's TV building next to Town Hall, and the SMA Property on Common Street. Without some discussion and negotiation, the Town could not gather enough information to make a useful

presentation to Town Meeting.

19. Does the current square footage allow for expansion?

Yes. There will be unoccupied space. Potential future opportunities for lease of the space include non-profits, other government agencies, a regional dispatch center, court functions, libraries, leased offices, or other public or private entities submitting proposals responsive to the Town's requirements as set forth in a formal request for proposals. Until the Town controls this space we are not able to fully investigate all possible options.

20. Is the Town under a deadline to make a decision?

The Memorandum of Understanding between The Davis Companies and the Selectmen on behalf of the Town calls for the Town to seek Town Meeting authorization to purchase the property and the requisite appropriation at Special Town Meeting this fall.

21. Town Meeting authorized a new Senior Center Site Committee to make recommendations on where a Senior Center should go. What will happen if the

Senior Center is not recommended on the Rustcraft site?

The Senior Center Site Selection Committee is currently reviewing options for the location of a senior center. However, in order to allow the Town to explore the option of locating the Senior Center at Rustcraft Road, the Senior Center Site Selection Committee has not spent any of the funds appropriated for its task. If Town Meeting does not approve the Rustcraft proposal, then the Committee will complete its assigned task and report back to Town Meeting.

22. Was the Senior Center Site Committee involved in the test fit for the Senior Center?

No. However the Council on Aging Director had involvement in the process.

23. Will voters have a chance to vote on this project?

Because the project does not require any additional property taxes to purchase or fit out the property in excess of what is permitted under the Town's levy limit (as established by Proposition 2 ½, so-called), Massachusetts law and the Town Charter give Town Meeting the necessary authority to make this decision. Residents can contact their Town Meeting representatives to make their views known, or be in touch with Town officials or staff for such purposes. Taxpayers may also participate in Town Meeting for the purpose of expressing their views, even though they cannot vote. Be aware, however, that the only questions that can be put to the voters of the Town at an election are those specifically authorized by statute. There is no statute allowing a binding question to be placed on the ballot with respect to whether the voters generally support a project. In accordance with the provisions of G.L. c.53, §18A, a non-binding public policy question can appear on the ballot but only at an Annual Town Election. As set forth in that statute, there are three ways for such a question to appear on an Annual Town Election ballot: vote of an Annual Town Meeting; vote of the Board of Selectmen; or by petition. As a reminder in recent years Town Meeting has approved an investment of \$6.4 million for the Dedham Square Improvement Project, and authorized \$12 million to upgrade energy systems in multiple building around town. Neither of these projects required any additional taxes beyond the normal property tax.

24. If this is approved, when would the building be ready for occupancy?

Towards the end of 2015, most likely.

Finances

25. How much will it cost?

To purchase the space, the Town will pay The Davis Companies \$18 million. The Town expects to invest approximately \$10 million to “fit-out” the space. Total cost for the project is estimated at \$28 million.

26. How much money will the project cost per square foot?

Total investment will be a maximum of \$28 million. Acquisition cost is \$18 million or \$80.37 per sq. foot (\$18million/224,000 square feet.). Selectmen have committed that fit out cost will not exceed \$10 million, and are seeking funding at Town Meeting in that amount. This works out to \$90.91 per square foot (\$10,000,000/110,000 sq. feet).

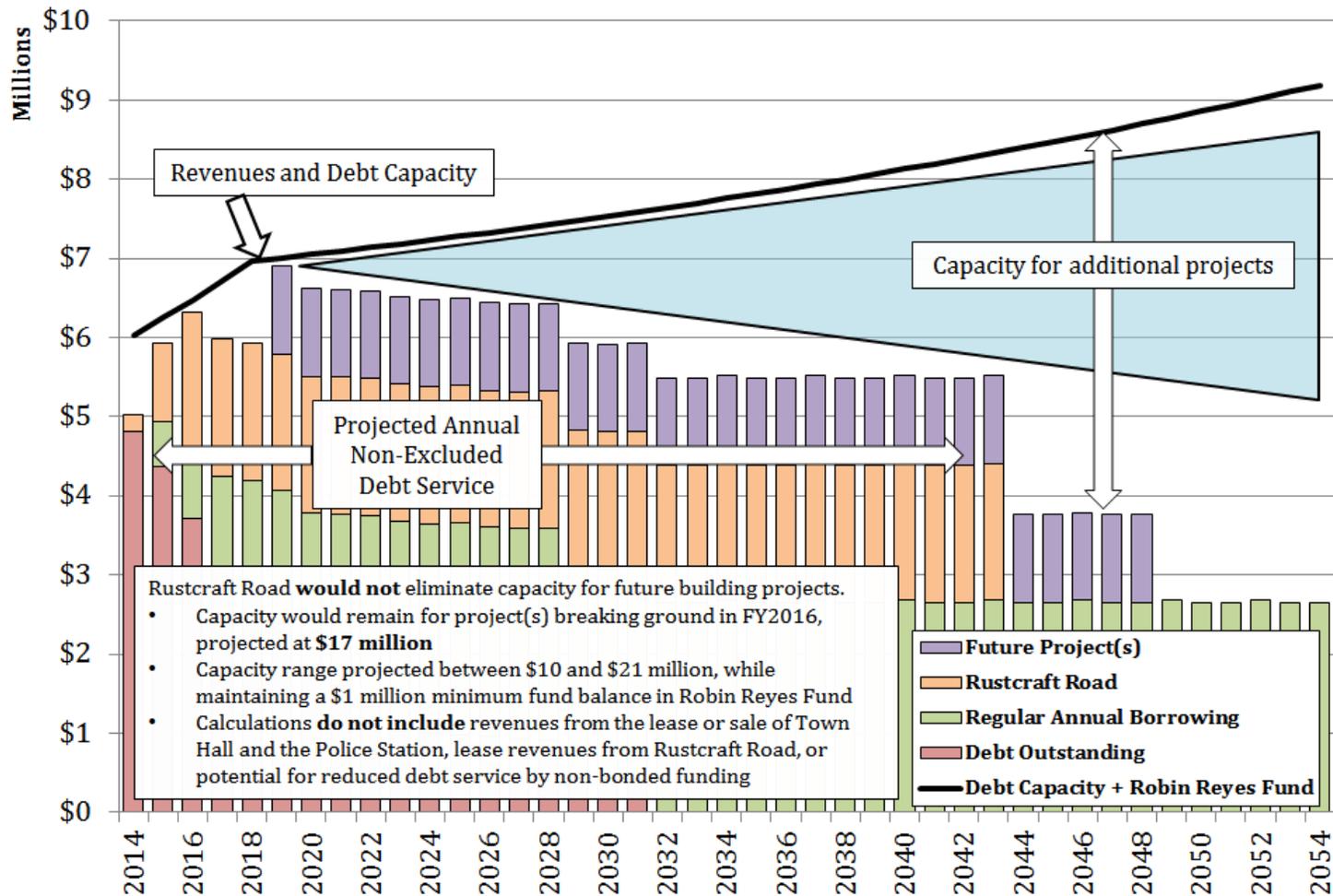
27. How will this project be financed?

This project would be paid by bonding (borrowing) the money. It is intended that this bonding will be paid back entirely from the Robin Reyes Major Capital Facilities Stabilization Fund, subject to approval by a two-thirds vote of Town Meeting. This is the fund created in late 2009 at a Special Town Meeting into which the Town has been depositing revenue from local option hotel and meals taxes. Currently, there is \$3.5 million in the Fund and projected revenues in the future average about \$1.2 million a year. The transfer of funds in Article 13 of the November Special Town Meeting in November would bring the fund balance to about \$4.1 million.

Based on this information the Town can borrow up to a total of \$28 million and repay it over 30 years with monies from the Fund. Per current policy, this can be accomplished by maintaining a minimum balance of \$1 million in the Fund. A chart showing projected debt and debt capacity follows.

Capacity For Future Project(s)

If Rustcraft is approved, the next project(s) could begin in 2016



28. How does the cost of co-locating compare with the cost of building separate new town facilities?

Beta Group, a well-respected urban design & land planning firm, was hired to estimate the cost of building separate, stand-alone facilities. Their analysis estimates:

Police Station: 21,000 square feet, completed in 2015:	\$11,963,000
Or 27,000 square feet:	\$15,357,000
Senior Center: 16,000 square feet, completed in 2017:	\$8,595,000
Town Hall: 35,000 square feet	
For entirely new building, completed in 2019:	\$21,740,000
Or for renovation and addition:	\$16,563,000

So if we build a new Police Station (21,000 sq. ft.), a new Senior Center, and renovated Town Hall, we estimate it would cost \$37,121,000. Be further aware, that the Beta Group estimates include only the site work, and specifically any exclude land acquisition costs. In stark contrast, co-locating these same facilities at Rustcraft is estimated to cost a total of \$28,000,000, including land acquisition costs.

29. Is the parking lot included in the purchase price?

The purchase price is for a condominium unit, which will be a designated portion of the existing building, together with a percentage interest in the condominium's common areas and facilities equal to the value of the Town's unit compared to the value of all the units together. The common areas and facilities will include all the land that is part of the condominium, including the land the building rests on. Parking lots will be part of the common areas and facilities, and the Town will have the right as a unit owner to use those parking lots designated exclusively to its use as well as those lots shared by all the unit owners. The exact location of those lots and the right to use those lots will be established in the condominium agreement as negotiated by the Town with The Davis Companies.

30. Who will pay for the furnishings inside the building?

The Town will pay for furnishings from the \$10 million. Please note that a significant amount of furniture currently in use at Town Hall and some furniture from the Police Station will be moved to Rustcraft.

31. How much will the condo fees be?

Condominium fees will be assessed to all unit owners of the condominium by the condominium association in accordance with each unit's ownership percentage, and will include the expenses of administration, maintenance, repair or replacement of the common areas and facilities. We cannot predict exactly what those fees will be, but going forward we will attempt to estimate as accurately as possible what fees the Town can expect to pay on a yearly basis. The manner in which these fees are set will be the subject of negotiations with The Davis Companies prior to the Town's purchase of the

unit.

32. How much tax revenue will be lost because a portion of the building will be coming off the tax rolls?

After meeting with the Assessing Department on this question, the response is that little or no tax revenue will be lost by the Town acquiring the property. The reason being is that the entire property has been taxed at a reduced value due to the elevated vacancy rate of the property. The Davis Companies will continue to pay taxes on the remaining portions of the building after the Town takes possession of the section that is under consideration. Those taxes are estimated to remain the same or closely similar to the amount that of taxes that are currently being collected today (estimated to be just over \$700,000).

33. Are there any other funds that could help offset the costs of the project?

We have called Congressman Lynch's office to see if the project might qualify for any federal funds because of the uniqueness of the Central Municipal Building concept. We are checking to see if the senior center portion of the project may qualify for a state grant. We have funds from the existing cable television contracts that can be used for portions of the IT costs.

34. How will this impact our AAA bond rating?

According to the Town's financial advisor, this investment should not impact the AAA bond rating.

35. How was the \$2.5 million in annual borrowings calculated/predicted?

Regular annual borrowings are projected at an average of \$2.66 million. That figure consists of principal and interest payments for the roads and sidewalks program and for heavy equipment, based on the prior 12 years of historical data.

36. What will the ongoing maintenance costs be?

After further analysis we estimate the annual net operating costs to be approximately \$350,000 in additional cost to the budget. Internally we have already identified existing revenues within the operating budget that we can reprogram to address this additional cost. Specifically we have identified savings in our trash collection program and property insurance program that can be used to offset this new cost. We also anticipate a new revenue stream from leases of the additional 114,000 square foot space that can also be used to offset this cost. We should not lose sight of the fact that regardless of where these new facilities are built, the Town would have to identify and program this cost due to the net increase in square footage of the new facilities.

37. What is the difference between the slide that says \$250 per square foot and the slide that says \$101 per square foot?

There are a number of ways to explain costs for this project. The \$250 +/- per square foot cost was calculated by dividing the total investment of \$28 million by 110,000

square feet which equals \$254.54 per sq. foot. The Town intends to renovate and occupy up to 110,000 square feet. You will note that the Town is not considering the additional 114,000 square feet in this calculation because we want to show the cost for useable space only. In other words the \$28,000,000 for approximately 110,000 square feet of useable space should stand on its own merit. The remaining 114,000 will be leased to other tenants, the income from which will assist in defraying the Town's operating cost. The \$101 per square foot is a benchmark renovation cost for the 110,000 square feet and is based on comparable buildings that have been renovated for office space. Stated differently, the \$101 square foot cost excludes the acquisition costs.

38. What do the spending capacity numbers look like if you estimate 0% growth for Reyes Fund?

If there were no growth in option tax revenues, annual collections would level off at \$1,981,436 in FY18, with the assumption that the full hotel revenue is redirected to the fund.

39. Are there grants available for energy effectiveness, for Senior Center purposes? Will the possibility of Senior Center-related grants be affected by the fact that the building will be multi-purpose?

The Town has contacted its State Representative, State Senator, and Congressman to ask for assistance in this area. If the Town is eligible for any grant programs we will apply.

Traffic & Permitting

40. What impact will this project have on traffic?

It is not quantified at this point. It is expected that the project will require a site plan review and approval process by the Planning Board, which may include but not be limited to a traffic study, parking analysis and surveys for sidewalks. The Board of Selectmen is currently working with Town staff to pull together traffic estimates/pattern data for the existing Town Hall, Police Station and Senior Center.

41. How will this project be reviewed & permitted?

It is expected that the project will require a site plan review and approval process by the Planning Board, which may include a traffic study, parking analysis and surveys for sidewalks. Additionally it is expected that the project will require a Storm-water Management Permit from the Conservation Commission.

42. Will landscaping on the outside be increased?

This will be part of the Planning Board site plan review process.

43. Will sidewalks be added along Rustcraft Road?

This will be evaluated by the appropriate Town Departments and as part of the Planning Board's major site plan review.

44. Will a bike lane be added on Rustcraft Road?

This will be evaluated by the Town Engineering Department, which will make a recommendation to the Town Administrator and Board of Selectmen.

45. Will the Town bus service be routed to stop at Rustcraft?

This will be evaluated by the Town Administrator, but it is planned that a revised town bus service will include Rustcraft Road.

46. Is the parcel still eligible for development under state law known as 40B?

Yes. However, the Town's affordable housing inventory is currently at 10.8%, which reduces the ability of a developer to obtain approval of a so-called "unfriendly" 40B project on the site.

Miscellaneous

47. What will The Davis Companies do with the rest of the building?

Davis is currently leasing space in the building to other tenants (Red Cross, Federal Reserve, and Record Keeper) and 44,000 sq. ft. will be unoccupied if the Town purchases a 224,000 sq. ft. unit. When the property is converted to condominiums, the leased spaces will form one or more condominium units.

48. What will the effect be on Dedham Square if Town Hall and the Police Station relocate to Rustcraft Road?

The Board of Selectmen retained the services of a consulting firm to evaluate the real estate market and recommend the highest and best uses for the Town Hall and Police Station sites, should the Rustcraft proposal be approved. For both sites, mixed use buildings are being recommended to ensure the Square continues to see the traffic of visitors necessary for a vibrant commercial center. Mixed use buildings are defined as a combination of retail, restaurant, office and residential space. It is our hope that this approach would bring more activity to the square than the Town Hall and Police Station currently generate. If the Rustcraft proposal is approved then the Board of Selectmen will evaluate the options of selling or executing ground leases for one or both sites. It is proposed that any money from the sale or ground lease would be transferred into the Robin Reyes Fund to be "reserved" for future projects and not be used for the Rustcraft project. Any transfer of these funds would require a 2/3 vote of Town Meeting. See the website www.dedham-ma.gov/rustcraft to read the consulting reports by Beta, NR&A and the Urban Land Institute.

49. What is the value of property currently owned by the Town that would not be utilized, including Town Hall, Police Station, and would it be leased or sold? Was this studied?

The Town Administrator engaged the services of Beta Group and HR&A Associates to

analyze possible re-uses of the Town Hall and Police Station sites. This was studied by HR&A Associates this past spring and summer. The report can be found at www.dedham-ma.gov/rustcraft. The consultants estimate that sale price of the properties will vary from \$2 million to \$3 million combined. The true price would not be known until the Town issues a Request for Proposal and formal proposals are received from interested developers.

50. How were dollar values determined?

See the report mentioned above.

51. Is there consensus on the Board as to how to proceed – lease vs. sale?

There has been no discussion and no vote has occurred. If the Rustcraft project is approved Selectmen will hold public meetings to solicit public input. Therefore, there has been no determination made on this point at this time.

52. If this is approved when would the new buildings in Dedham Square open?

If new buildings are built, approximately 18 months to 30 months after the Town offices move to Rustcraft Road.

53. When Town Meeting votes on this project, does it require a simple majority or a two-thirds vote?

A vote to authorize the acquisition of the property alone would require a simple majority. However, because it is anticipated that the vote taken will include both authorization to acquire the property and authorization to borrow the cost of acquisition and improvements, the vote would require a two-thirds majority. Appropriation of funds to acquire real property, as well as appropriation from a stabilization fund, including the Robin Reyes Major Capital Facilities Stabilization Fund to pay for the debt service, requires a two-thirds vote of Town Meeting.

54. What will the hours of operation be for the Police Station, Town Hall and Council on Aging/Senior Center?

The current hours of operation, are:

Town Hall: Monday, Tuesday, Thursday, Friday, (8:30 a.m. to 4:30 p.m.) and Wednesday (8:30 a.m. to 7:00 p.m.), with nighttime meetings Monday through Thursday.

Police Station: 24 hours a day, 7 days a week

Council on Aging/Senior Center: Monday thru Friday, (8:30 a.m. to 4:30 p.m.)

55. This is a residential neighborhood. Is it a good place for a Police Station?

Most police stations are centrally located in towns, many of which are in or bordering residential neighborhoods. The back of the current Police Station abuts a residential neighborhood.

56. How much noise will there be from the Police Department vehicles?

Noise is expected to be minimal. The Police Chief explained that officers generally don't use lights and sirens when leaving the station in cruisers.

57. What is the purpose of the indoor gun range at the police station?

The indoor gun range is a place for police to practice firearms skills. The gun range will not be open to the public.

58. Are there potential public safety issues having Town Hall, Police Station and Senior Center co-located?

We do not believe there is an adverse impact.

59. Is there asbestos inside? If so, how expensive will it be to remove it?

Town records indicate asbestos abatement was conducted in 1986, 1993 and 2006. No further testing has been done to this point.

60. Is the cafeteria included in the \$10 million fit-out estimate?

Only a minimum amount of work will be performed in the cafeteria. The plan is to lease the space to a third party, who will operate the space without any expense to the Town.

61. Can the proposed cafeteria be used as a restaurant or for catering?

Possibly. The Town will explore the option of the cafeteria being run by a private entity at no cost to the Town.

62. What is the status of the Red Cross?

The Red Cross, a bank, and storage company recently re-signed leases with The Davis Companies, so those organizations will continue to occupy space in the Rustcraft building for the near future.

63. What other options does The Davis Companies have?

If an agreement with the Town does not move forward, The Davis Companies could continue to seek tenants for the space as currently zoned. They could also seek zoning relief (a variance) or a zoning change to expand their options for future development or occupancy.

64. At a previous Town Meeting \$300,000 was allocated to complete a police station feasibility study. What will happen to this money?

If this project is approved, this study would no longer be needed and a request would be made at a subsequent Town Meeting to rescind the authorization to spend these funds.

65. Did the Town have an appraisal done of the Rustcraft property?

It is in process. Please note the total investment to acquire and fit out the property will be a maximum of \$28 million. The acquisition cost is \$18 million or \$80.37 per sq. foot (\$18million/224,000 square feet). The property will be sold to the Town by The Davis Companies upgraded to a commercially viable standard. The Town will invest a maximum of \$10 million to fit out the building. The Board of Selectmen have committed

not to exceed that cost, and are seeking funding at Town Meeting in that amount. This works out to \$90.91 per square foot (\$10,000,000/110,000 sq. feet).

66. How does this fit with the Building Planning and Construction Committee (BPCC) priorities?

One of the biggest priorities that the BPCC has identified over the years is to build a new Police Station. This proposal would clearly address that need. The second and, often most talked about issue, has been the development of a new Senior Center. Again, this proposal would address that need. The new Town Hall space is not high on the BPCC priority list but because the space is available as part of this project it makes good sense to develop this space now as part of the campus concept. By going to this new location a number of needs that have been identified at Town Hall would be addressed including additional parking and the ability to reunite several Town Departments that had been removed from Town Hall over the years due to space limitations.

67. Is the estimated construction cost an average for all proposed uses?

Yes it is.

68. Will the current owner be doing work before we get the building?

Yes. The Davis Companies is required to make the building commercially viable, which they would need to do for any prospective tenant. The work needs to be performed to bring this building up to a commercial grade structure. To this extent The Davis Companies has already begun this process and would perform this work regardless of who would be the buyer of this property.

69. Are demolition costs included in the fit-out cost?

The vast majority of demolition costs are included in the acquisition price.

70. Why are there funds planned for HVAC work if the current owner will also do HVAC work?

The current owner is required to provide suitable HVAC capacity that would be ready for connection to the interior HVAC distribution system that any purchaser might need. If the Town were to acquire the property, for example, the Town would need to install new ductwork wherever new offices are to be located, and such work will be at the Town's cost.

71. Where will the common areas be?

The common areas will be designated in the master deed and have yet to be agreed upon. However, as stated with respect to the roof, the Selectmen may request that the master deed provide the Town with sole ownership and/or control of such portions of the property outside of the Town's unit as is consistent with the Town's interests. In addition, The Davis Companies has promised in the Memorandum of Understanding to construct the master deed so as to provide the Town with exclusive use of parking areas, although the exact location and size of those areas has yet to be determined.

72. What other “complications” are created by the acquisition of a condo? For example:

- a. Who will have control over the work performed on common areas?

The Condominium Association will be responsible for maintenance of the common areas. However, control over maintenance and improvements to certain portions of the common areas dedicated to the exclusive use of one or more (but not all) units may be given to those units pursuant to the master deed. The Board of Selectmen may request that the master deed provide the Town with control of work performed on common areas dedicated to the Town’s unit.

- b. Will the Town, because it owns less than 50%, have to pay or otherwise be responsible for work it is not in favor of?

The condominium documents can be structured to minimize this risk by requiring Town approval for certain work, and the Town will request such provisions consistent with its interests.

73. Are there existing templates for the condo documents and other required documentation?

There are existing documents for other condominiums that can serve as guidance for drafting documents for Rustcraft Road. However, the structure of a commercial condominium will depend in large part on the facts particular to that property and the intent of the parties creating the condominium, and, where two or more parties have a say in how the condominium is structured, those terms can and will be negotiated between the parties.

74. When will there be definite answers on the form of the condo documents and similar matters?

When those documents are agreed upon between the Town and The Davis Companies. Under the terms of the Memorandum of Understanding, Davis will draft the initial condominium documents and submit them to the Town for review. No drafts have been submitted to this point. Before the drafts are prepared, however, the Selectmen expect to negotiate the substantial terms of those documents with Davis. Those negotiations are ongoing.

75. Will there be sidewalks to allow people in East Street area to walk to Town Hall?

There currently is a sidewalk from East Street to the Rustcraft building. Additional sidewalks may be added per Planning Board review.

76. What are the real numbers, i.e., what other improvements, work, expenses, will be included in the project?

Operating costs (which are defined earlier in this document), and costs associated with a condominium fee (to be negotiated).

77. Will there be a gym built at Rustcraft?

The budget provides for a multi-purpose recreational space.

78. What would cost be and how would projections be affected if the Reyes Fund is not used for the project?

If the Reyes Fund is not used the cost would be the same.

79. Will there be EPA/DEP issues where building or parts thereof were used in the past for printing press purposes? For example:

a. Liability for past acts?

Provided that any condition on the property was created prior to the Town's taking ownership of the property and the Town did not cause or contribute to such conditions, the Town will be able to avail itself of the exemption for an eligible person. Should the Town be subjected to a claim or suit due to such conditions, the Town would also be able to seek contribution from any party that did cause or contribute to the property conditions.

Liability for a release or threat of release of oil or hazardous waste is governed by the Massachusetts Oil and Hazardous Material Release Prevention Act, G.L. c. 21E. The provisions of G.L. c. 21E, §4A permit a party to seek response action costs, contribution, or equitable share from "any person he reasonably believes is liable pursuant to section five." The provisions of G.L. c. 21E, §5 impose liability upon the owner or operator of a site from or at which there has been a release or threat of release of oil or hazardous material for damage to real or personal property resulting from such release or threat of release. The provisions of G.L. c. 21E, §5(c) provide in part, "there shall be no liability under paragraph (a) for a person otherwise liable who can establish by a preponderance of the evidence, (A) that the release or threat of release of oil or hazardous material and the damages resulting therefrom were caused by: (3) an act or omission of a third party other than an employee or agent of the person." The provisions of G.L. c. 21E, §5C also exempt from liability an "eligible person," which term is defined in G.L. c. 21E, §2 as:

[A]n owner or operator of a site or a portion thereof from or at which there is or has been a release of oil or hazardous material who:

(i) Would be liable under this chapter solely pursuant to clause (1) of paragraph (a) of section 5; and

(ii) Did not cause or contribute to the release of oil or hazardous material from or at the site and did not own or operate the site at the time of the release.

b. Liability for future acts?

As referenced above, the Town has defenses against claims arising from conditions arising at or from the property which existed prior to the Town's ownership. If the Town becomes an owner of the site, it would be responsible for its own action which cause or contribute to a release or threat of release from the

site. Thus, if the Town exacerbates a condition or creates a new condition, the Town may be liable for response action costs or property damages resulting from Town actions. Liability under G.L. c. 21E is strict and joint and several, meaning that liability attaches regardless of intent and may be assigned entirely to any responsible party.

80. Will the Town be able to place solar panels on the roof?

The Selectmen may request that the master deed provide the Town with sole ownership and/or control of such portion of the roof as is consistent with its interests. This could include the right to erect and maintain solar panels on the roof.

81. Will there be sufficient parking and where will it be located?

The Memorandum of Understanding states that The Davis Companies will allocate sufficient parking spaces on site to the Town to satisfy zoning bylaw requirements, and further states that a portion of those parking spaces will be exclusively dedicated to Town use. The exact location and size of the parking areas remains to be negotiated.

82. How was the interest rate on the borrowing for the \$25 million calculated?

The assumed interest rate was provided by Uni-Bank, the Town's Financial Advisor. They recommended 4.25% be used for a AAA-rated municipal bond with a 30-year term.

83. Has the Senior Center Site Committee made a recommendation concerning this proposal?

At its October 9, 2013 the committee voted that the Rustcraft Road Project would fit within the criteria for a location that could accommodate the construction of a Senior Center.

84. Shouldn't the Town really indicate that cost is \$49 million with interest?

The Town is indicating the total cost is \$49 million, as suggested by a resident. See slide 4 from the Town Administrator's PowerPoint presentation to Finance Committee made on October 8. It is worth pointing out that if the project is not built the alternative of three separate buildings has a total cost that is \$63 million or \$14 million more than the Rustcraft proposal. Additionally it is important to note that waiting to build also costs money because construction costs are rising at a rate of approximately 4% a year. So whether the Town invests now or waits the costs will essentially be the same.

85. What was the "process" used to arrive at the current proposal?

Compare this project to the Senior Center site work. Here is a brief recap of the Town's approach to replacing buildings. During the 2000's the approach was always about prioritizing and replacing one building at a time and was the responsibility of the Building Planning and Construction Committee (BPCC). However, in November 2011 and again in February 2012 the Board of Selectmen issued a public Request For Proposal (RFP) for a building large enough to consolidate multiple Town functions. We did so because we thought that it would be a good time to purchase commercial real estate at a

good price. There was, however, no suitable response to the RFP. As a result the BPCC once again began planning to replace individual buildings. Specifically the Police Station was prioritized and a site on High Street was identified. Then, last February the Town became aware that the Rustcraft Building was going to auction. Selectmen decided it would be prudent to assess the possibility of consolidating multiple Town function at the site.

86. How will the Town have any influence on the condo association with respect to common areas if the Town owns less than half the building?

The Town will be part of the owners' group which creates the business condominium association documents, and as such can exert a degree of leverage from the very beginning in the language governing common areas. The condominium documents can be structured to minimize this risk by requiring Town approval for certain work, and the Town will request such provisions consistent with its interests.

87. Will the deal be complete prior to having to sign on the bottom line, or, in other words, will the Town have to buy the property before the negotiations with respect to the condo docs is complete?

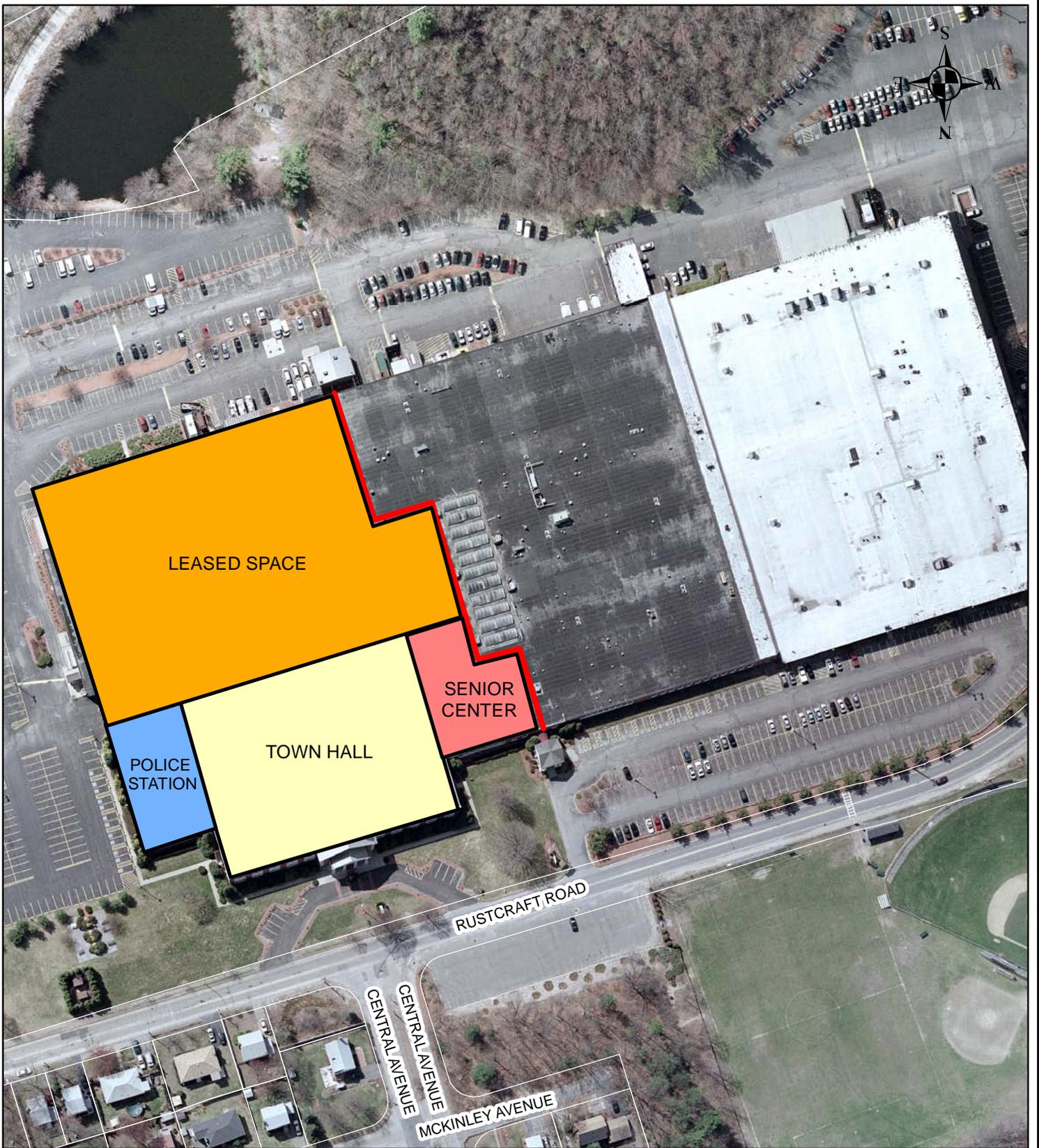
No, unless the Town decides otherwise. The Davis Companies cannot force the Town to accept a binding agreement to purchase its unit before the substantial terms of the condominium documents are agreed upon. The question of whether to buy the property is a matter within the discretion of the Board of Selectmen. In developing the Purchase and Sale Agreement, the Town will ensure that there are adequate protections built into the same so that the Town can choose not to move forward if the Board determines the same is in the best interests of the Town.

88. Will the Town have an interest in the property, or just in the building?

The Town will own its unit in fee simple. Fee simple means the owner can exclusively possess it, use it, sell it, divide it, and dispose of it by deed or will. The Town's title to the unit will also include a percentage interest in the common areas and facilities equal to the value of the Town's unit compared to the value of all the units taken together. The common areas and facilities will include all the land that is part of the condominium, including the land the building rests on.

89. How can I keep up to date with the latest information on this project?

Visit the town's web page at www.dedham-ma.gov/rustcraft for the latest information.



LEASED SPACE

POLICE STATION

TOWN HALL

SENIOR CENTER

RUSTCRAFT ROAD

CENTRAL AVENUE

MCKINLEY AVENUE



180 RUSTCRAFT ROAD



TOWN OF DEDHAM, MASSACHUSETTS