

The Municipal Campus Proposal

Questions and Answers

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Traffic & Permitting

Miscellaneous

Project Details

- 1. What is the scope of this project?** This project creates a municipal campus which will be developed in 3 phases. Phase 1 includes the purchase and major renovation of the Ames Schoolhouse office building at 450 Washington Street for conversion to a combined Town Hall and Senior Center, to be completed in 2017. Phase 2 includes major renovation and a small addition to the existing Town Hall for conversion to a Police Station, to be completed in mid-2018. Phase 3 includes a renovation and expansion to the main fire station. While the exact start and completion dates of Phase 3 are unknown it is estimated to be 8-10 years from now. Town meeting is being asked to support Article 19 which funds Phase 1 and 2, not Phase 3. Appendix 1 shows a site plan.
- 2. How and when did this project start?** For a number of years the Town has discussed the need to replace or renovate its aging buildings. We have also discussed the need for a Senior Center. The Board of Selectmen asked Special Town Meeting in November 2013 to support a municipal campus on Rustcraft Road. Town Meeting did not support the proposal with the necessary two-thirds majority. The suggestion was made at Town Meeting to instead investigate purchasing the Ames Schoolhouse property. Since Special Town Meeting the Town Administrator and Selectmen have collected information about purchase price, renovation costs and other related issues such as parking and Stormwater management.

3. How much will it cost?

Purchase Ames Schoolhouse	\$ 5,850,000
Renovate Ames Schoolhouse	\$ 10,103,000
Relocation Assistance for Tenants	\$ 1,000,000
Renovate Town Hall for Police	\$ 7,796,000
Contingency	\$ 2,227,000
<u>Inflation</u>	<u>\$ 1,308,000</u>
TOTAL COST Phase I & II	\$ 28,284,000

4. **How will it affect my 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 money collected by the meals and hotel taxes which are deposited in the Robin Reyes Major Capital Facilities Stabilization Fund, as was explained to Special Town Meeting last November. This fund was created in late 2009 at a Special Town Meeting; since then the Town has been depositing revenue from local hotel and meals taxes into the fund. 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. Per current policy, as the funding for this project is proposed, the Town is required to maintain at least \$1 million in the Fund at all times. In fact, in the current plan the balance does not drop below \$3 million. See question 24 and the charts following on pages 6 and 7.

5. **How large is the Ames Schoolhouse and how will it be used?** The Ames Schoolhouse is located on 2.04 acres of land and has approximately 50,000 square feet of gross floor area. Town Hall will occupy about 34,000 square feet and the Senior Center about 16,000 square feet.
6. **How large is the existing Town Hall and how much space does the Police Dept. require?** The existing Town Hall is 18,000 square feet. The Police Department needs 21,000 square feet so a 3,000 square foot addition will be built for the Police Station.
7. **How much land will the municipal campus occupy?** It will occupy 3.5 acres: The Town currently owns 1.50 acres on which sits the Town Hall and Main Fire Station. The Ames Schoolhouse is on 2.04 acres.
8. **Is there a site plan available that shows the building we are buying?** See Appendix 1.
9. **Who will be responsible for building maintenance?** The Town will be responsible for maintenance.

10. **What will the effect be on Dedham Square if the Police Station relocates to Bryant Street?**

In 2013 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 Police Station site. The consultants recommended a mixed



use building 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. If the Ames Schoolhouse proposal is approved then the Board of Selectmen will evaluate the options of selling the property or executing a ground lease for the current police station

site. 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 municipal campus project. Any transfer of these funds would require a 2/3 vote at Town Meeting. See the website www.dedham-ma.gov/municipalcampus to read the consulting reports by Beta, NR&A and the Urban Land Institute.

11. **What is relocation expense?** State regulations require a government entity to mitigate tenant costs when tenants are required to relocate due to action by that entity. In this case, because Dedham is purchasing an office building, the Town is required to pay relocation costs. This includes such things as moving costs, signs, advertising, and the rental difference for a prescribed period of time. At this time because we do not have definitive plans we are estimating \$1million.

State regulations also require the Town to create a relocation plan and to hire a relocation agent. The Town’s Director of Economic Development will develop a plan of action with the relocation agent and will work comprehensively to keep current tenants in Dedham.

Process

12. **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.
13. **Shouldn’t Town Meeting have given its approval before the Selectmen negotiated with the owner of the Ames Schoolhouse Office building?** 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.

14. **Is the Town under a deadline to make a decision?** The Letter of Intent between the Town and the property owner requires the Town to seek Town Meeting authorization to purchase the property and the requisite appropriation at Annual Town Meeting in May. The owner will not extend the letter beyond Town Meeting.
15. **Town Meeting authorized the Senior Center Site Committee to make recommendations on where a Senior Center should go. What is their recommendation?** The Senior Center Site Selection Committee on April 7, 2014 voted 7 -2 to recommend the Ames Schoolhouse as the location for a senior center.

16. **What is the position of the Board of the Council on Aging?** The Council on Aging Board on December 19, 2013 voted unanimously to support the purchase of the Ames Schoolhouse to be used for a Town Hall and Senior Center.
17. **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.
18. **If this is approved, when would the buildings be ready for occupancy?** Work on the Ames Schoolhouse would begin in early 2016, and be ready for occupancy in early 2017. Work on the existing Town Hall would begin in early /mid 2017 and the Police would take occupancy in mid-2018.

Finances

19. **How much will it cost?** See question 3 above.
20. **What is the building assessed for?** It is assessed for \$4,084,800.
21. **Did the Town have an appraisal done of the Ames Schoolhouse?** Yes. The appraisal ranged from \$3,700,000 to \$4,150,000. It was conducted by the Commonwealth Valuation Group and reported in January, 2014.
22. **The Town has entered into a Letter of Intent with the Owner of the Ames Schoolhouse property to purchase the building and two acres for \$5.85 million. The appraisal commissioned by the town and the property tax assessment put on the property by the Town Assessor was closer in each case to \$4million. Why is the Town paying more than the appraised and assessed values for the Ames Schoolhouse property?** First, the price reflected in the Letter of Intent is a negotiated price. As in any real estate negotiation, the Owner and the Buyer (the Town in this example) will have different values at the outset of a negotiation. As in this case a sophisticated commercial Owner can make a plausible

case for valuation based on standard valuation techniques which have assumptions on which reasonable people can have different perspectives.

Second, the value of the building and land to another commercial owner with a shorter time horizon for office use only (say for 20 years as in the case of the current Owner) can be much lower than a municipal owner (i.e. Dedham) with a time horizon that could be nearly two or three times as long or longer, stretching a half century and more into the future.

Third, as is well understood in the general real estate market, a building and land owned by a neighbor directly adjacent to yours can be much more valuable to you than to a third party buyer. For the Town seeking to create a municipal campus in the heart of Town, buying a building with ideal square footage to meet two defined facilities needs (a Senior Center and a refurbished center for Town Government) and land which creates an integrated 3.5 acre campus for other municipal uses (Police and Fire) has value to the Town far exceeding the value of the building and two acres to a third party commercial property owner. This is a view embraced by many real estate experts who have advised the Town.

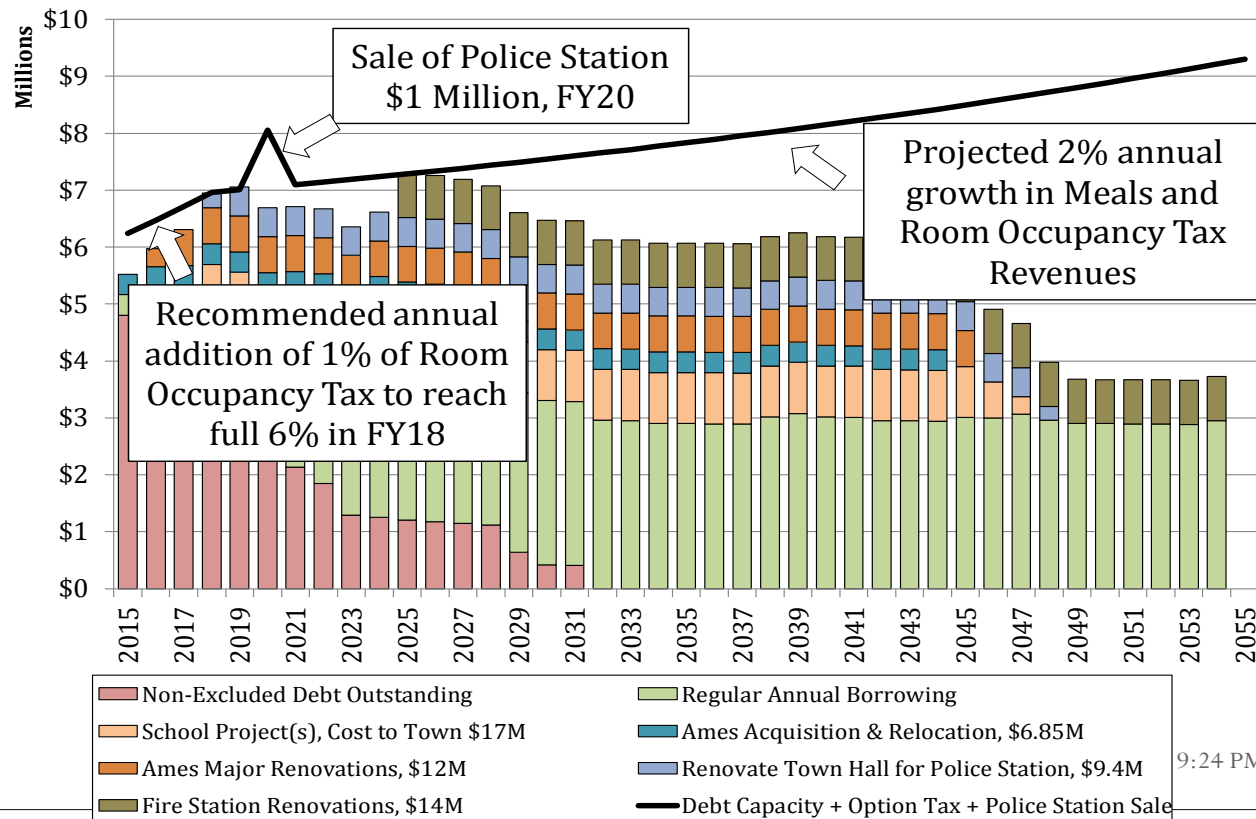
Finally, because there are really no comparable properties in the heart of Town meeting the specifications required by the Town for its future municipal needs, the Town negotiated the best price available reflecting the Owner's willingness to sell and the Town's desire to recapture a historic treasure.

23. **Was the building under-assessed?** The Board of Assessors use well-established practices for valuing a building used for commercial office space.
24. **How will this project be financed?** 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 money collected by the meals and hotel taxes which are deposited in the Robin Reyes Major Capital Facilities Stabilization Fund, as was explained to Special Town Meeting last November. This fund was created in late 2009 at a Special Town Meeting; since then the Town has been depositing revenue from local hotel and meals taxes into the fund. All transfers in and out of the Robin Reyes Fund must be approved by a two-thirds vote of Town Meeting.

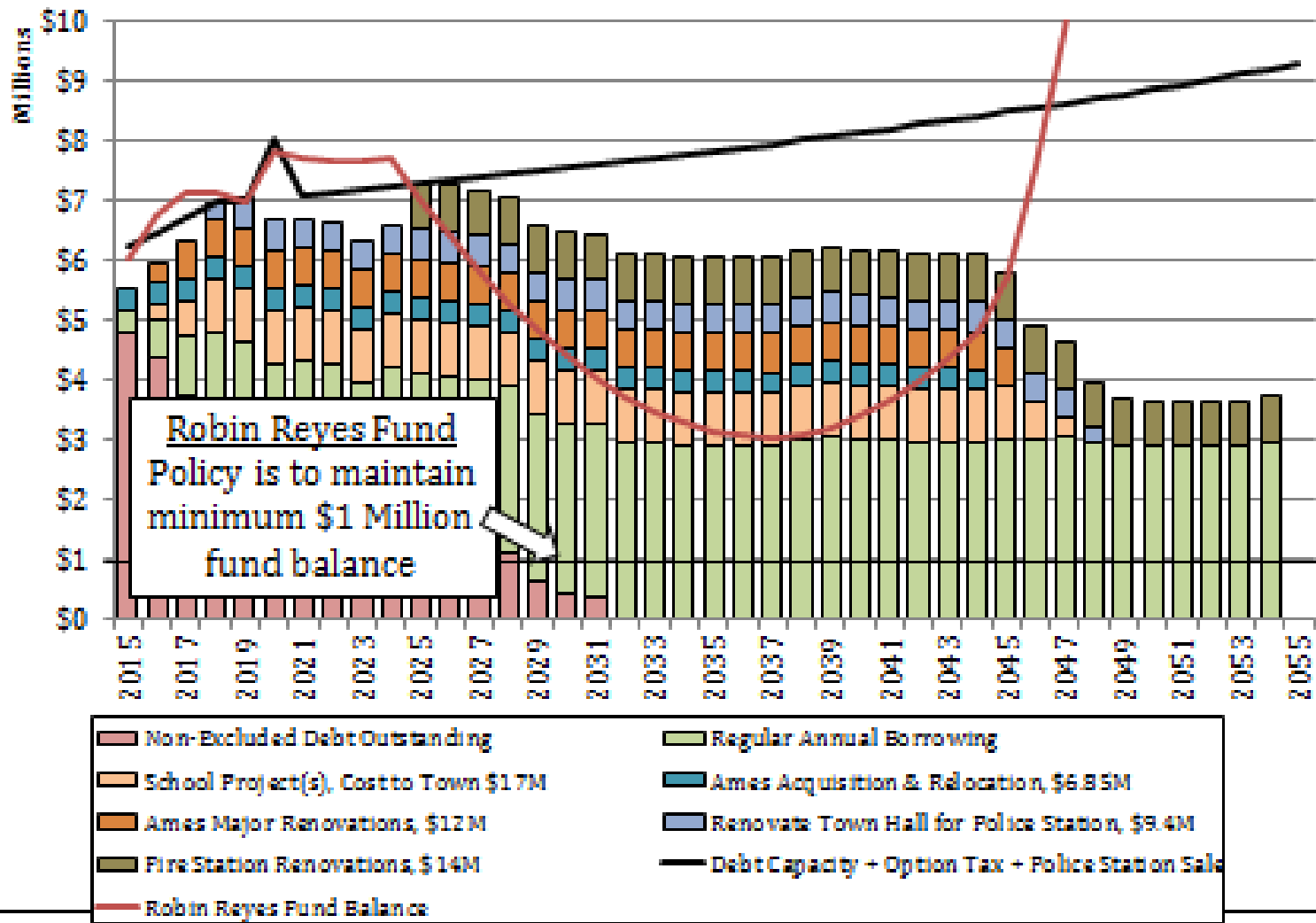
Based on financial projections we can demonstrate that the Town can borrow the \$28 million needed for this project and repay it over 30 years. Per current policy, as the funding for this project is proposed, the Town is required to maintain at least \$1 million in the Fund at all times. In fact, in the current plan the balance does not drop below \$3 million. See question 24 and the charts following on pages 6 and 7.

A chart showing projected debt and debt capacity, and the cash balance in the Robin Reyes Fund, follows on the next 2 pages.

Debt Capacity Projections - Includes Meal and Hotel Room Taxes & Sale of Police Station



Robin Reyes Fund - Projected Cash Balance



25. **How does this proposal compare with the cost of building separate new town facilities?** This proposal is approximately \$ 8 to \$9 million less expensive.

Beta Group, a well-respected urban design & land planning firm, was hired in 2013 to estimate the cost of building separate, stand-alone facilities. Here is the summary:

Building	Size – Square Feet	Assumed completion date for estimating only	Cost
Police	21,000	2015	\$11,963,000
Senior Center	16,000	2017	\$ 8,595,000
Town Hall*	34,000	2019	\$ 16,563,000
Total			\$37,121,000

*Note: Existing Town hall renovated and expanded

Please note that at the April 7, 2014 meeting of the Senior Center Site Selection Committee the Beta Group estimated a new stand-alone senior center would cost between \$7.5 and \$8.0 million.

26. **Who will pay for the furnishings inside the building?** The Town. 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 the Municipal Campus. Dispatch will also require upgraded equipment.
27. **Will this impact the plans for the next new School project?** No it will not. The next school building project in the pipeline is included in the financial model. The model assumes the State will reimburse the Town for 52% of the total cost. The Town’s share will be 48%. The exact scope of the school project, which prioritizes new space for the Early Childhood Education Center, will be determined in the months ahead. For planning purposes the model assumes a relatively large project.
28. **How much tax revenue will be lost because the Ames Schoolhouse office building will be coming off the tax rolls?** The tax bill for this year is \$141,824.26. This will be partially offset by the new building that will be built on the site of the existing Police Station. However, this new building may not open until 2019 or 2020.
29. **Are there any other funds that could help offset the costs of the project?** Dedham’s state legislators are checking to see if the project may qualify for state support. We have funds from the existing cable television contracts that can be used for a portion of the IT costs.
30. **How will this impact our AAA bond rating?** According to the Town’s financial advisor, this investment should not impact the AAA bond rating. The Town last year explained to the rating agency the plans for a municipal campus and how it would be funded.

31. **How was the \$3.0 million in annual borrowings for ongoing capital needs calculated/predicted?** Regular annual borrowings are projected at an average of \$3.0 million. That figure consists of principal and interest payments for the roads and sidewalks program, fire trucks, DPW heavy equipment, school and municipal facility projects based on the prior 12 years of historical data.
32. **What will the ongoing maintenance costs be?** Ongoing custodial and utility costs will be about \$5.50 per square foot. A renovated Ames and Police Station will cost about \$390,300 per year. Current costs for the existing Police Station and Town Hall are \$230,772. Therefore the net increase in annual costs will be about \$159,728. Residents are asked to keep in mind 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.
39. **What do the spending capacity numbers look like if you estimate 0% growth for Reyes Fund?** If there were no growth in meals and hotel tax revenues, annual collections would level off at \$1,992,878 in FY18, with the assumption that the full hotel revenue is redirected to the fund.
33. **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

34. **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.
35. **How will this project be reviewed and 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 Commissions.
36. **Will landscaping on the outside be increased?** This will be part of the Planning Board site plan review process.
37. **Will the Town bus service be routed to stop at the Ames Schoolhouse?** This will be evaluated by the Town Manager, but it is expected that a revised town bus service will include Ames on its route.

Miscellaneous

38. **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 Police Station site. This was studied by HR&A Associates last year. The report can be found at www.dedham-ma.gov/municipalcampus. The consultants estimate that sale price of the current Police Station site will vary from \$900,000 to \$1,200,000. The true price would not be known until the Town issues a Request for Proposal and formal proposals are received from interested developers.

39. **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 municipal campus 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.
40. **If this is approved when would the new/renovated building in Dedham Square open?** If a new building is built, it will open approximately 18 months after the Police Department moves into a renovated Town Hall. This means the new building would open approximately late 2019
41. **When Town Meeting votes on this project, does it require a simple majority or a two-thirds vote?**
The vote will include both authorization to acquire the property and authorization to borrow the cost of acquisition and improvements, and therefore will 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.
42. **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.)
43. **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.
44. **Is there asbestos inside the Ames Schoolhouse? If so, how expensive will it be to remove it?** The Town has hired a Licensed Site Professional to conduct a Level 1 site assessment. Preliminary results show small amounts of floor tile in closets need to be mitigated. The full report is due in early May.
45. **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.

46. **How does this fit with the Building Planning and Construction Committee (BPCC) priorities?** One of the biggest priorities that the BPCC has identified is to build a new Police Station. This proposal would clearly address that need. The second 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 at the top of the BPCC priority list but because the space is available as part of this project it makes good sense to develop it now as part of the campus concept.

47. **Are demolition costs included in cost estimates?** Yes, demolition costs are included in the cost estimates.

48. **Will there be EPA/DEP issues with the building or property?**

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.

49. **Will there be sufficient parking and where will it be located?** The architect presented a preliminary parking plan to the Planning Board in March as part of a scoping session. It had 192 parking spaces. During a typical workday about 95 town employees need a place to park. This leaves about 97 spaces for people coming and going to the campus.
50. **How was the interest rate on the borrowing selected?** The assumed interest rate was provided by Uni-Bank, the Town’s Financial Advisor. They recommended 3.25% be used for a AAA-rated municipal bond with a 30-year term.
51. **Does Verizon have plans to sell its building adjacent to the current Police Station?** The Town Administrator contacted Verizon. Verizon informed the Town Administrator they have no plans to sell the building.
52. **What is the total cost of the project – principal plus interest?**

Municipal Campus	Principal	Interest	Total
Ames Acquisition & Relocation	6,850,000	3,976,093	10,826,093
Ames Renovation	12,001,991	6,966,574	18,968,565
Renovate Town Hall for Police	9,432,907	5,700,042	15,132,949
	28,284,898	16,642,709	44,927,607
Stand-Alone Construction			
Police Station	11,963,000	6,943,941	18,906,941
Senior Center	8,595,000	4,988,981	13,583,981
Town Hall	16,563,000	10,453,571	27,016,571
	37,121,000	22,386,493	59,507,493
Variance	(8,836,102)	(5,743,784)	(14,579,886)

The total projected cost of the municipal campus is \$44,927,000, of which \$28,284,898 is principal and \$16,642,709 is interest.

It is worth pointing out that if the project is not built the alternative of three separate buildings has a total cost of \$59,507,493, of which \$37,121,000 is principal and \$22,386,493 is interest. This is \$14,579,886 million more than the Municipal Campus 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.

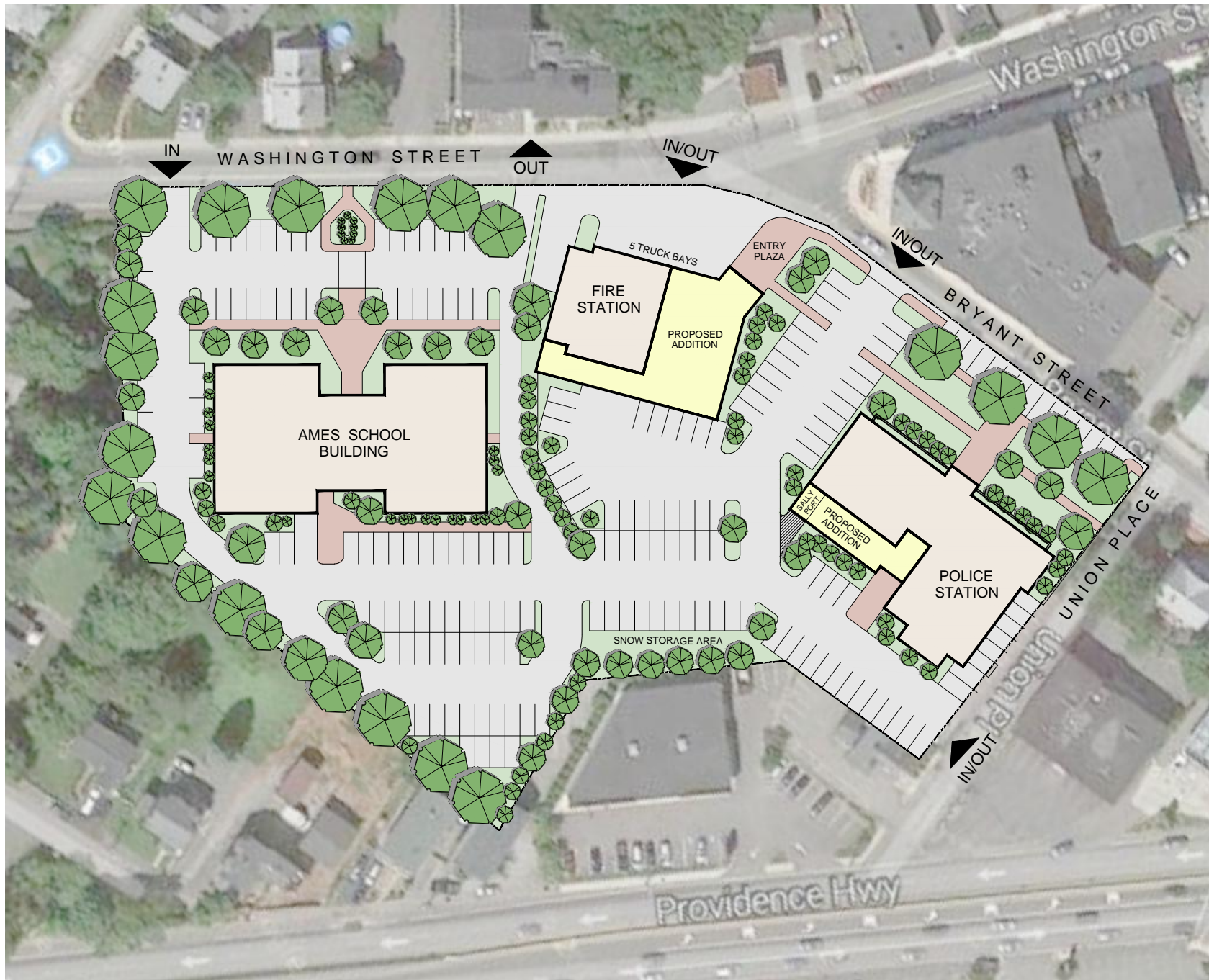
53. **What impact will the historic designation of the building have on work that needs to be done?** The building is on the National Register of Historic Places. Therefore renovations of the exterior require review by the local Historical Board. Please note the cost estimates for renovations to the windows and exterior take into account the requirement to perform work in a manner that is consistent with the historical nature of the building.

54. **Since the sale is above the assessed value, will there be an impact on property taxes in the area of the building?** Commercial sales rarely affect residential values. Until we have actual house sales after the Town's purchase it will be difficult to determine the effect on residences with certainty. The residences are based on comparable sales with like properties and the commercial valuation is based more on an income approach of dollars/square foot.

Remember that the Assessors do not actually set the market values prospectively - they follow the market to determine what arm's length buyers have been willing to pay.

55. **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/municipalcampus for the latest information.

Appendix 1



Town of Dedham

Washington Street &
Bryant Street
Dedham, MA.

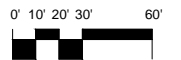
Town of Dedham

PARKING SUMMARY	
REQUIRED SPACES	297
PROVIDED SPACES	191



PROPOSED SITE PLAN

Project: 003581.00
Date: 03/13/14



Project: 003581.00, 03/13/14, Washington Street & Bryant Street, Dedham, MA.
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