



**CAPITAL EXPENDITURES COMMITTEE
TOWN OF LEXINGTON**

**REPORT TO THE
2006 SPECIAL TOWN MEETING**

Article 4, Community Preservation Fund

and

Article 2, DPW Facility

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Submitted by:

Charles Lamb, Chairman
Ted Edson, Vice Chairman
Shirley Stolz
Roger Borghesani
William Hurley

Articles

Article 4: Community Preservation Fund

Part (i) is to appropriate a sum of money to the Community Preservation Fund – Historic Reserve.

The Capital Expenditures Committee makes NO RECOMMENDATION on Article 4 part (i).

Part (ii) to appropriate sums of money from the Community Preservation Fund for (a) Phase I of the Hancock-Clarke restoration project; (b) a freight elevator for the Lexington Depot; and (c) shelving for the main vault of the Cary Memorial building; or act in any other manner in relation thereto.

Description:

The TMMA Warrant Information Book has a description of these projects which is included verbatim in Appendix A of this report for completeness.

Discussion:

The Capital Expenditures Committee believes that the town has an obligation to maintain historic buildings in Lexington. While this may be a burden on our budget, it is nevertheless an appropriate and desirable task for the community to undertake. Both the Hancock-Clarke house and Lexington Depot buildings are historic in nature and within the scope of the CPA.

Two legitimate concerns have been raised about these projects. The first concerns the private ownership of these buildings by the Lexington Historic Society. The CEC notes that LHS is a 501(c)(3) organization and is not profiting from the use of these funds. Nor is this the first occasion that such a public-private appropriation of town capital funds has been made. Further, we note that by accepting this undertaking, the LHS has removed much of the burden from the town staff. The alternative would be for the town to take on the responsibility for maintaining these buildings using Town funds for the entire cost.

The second concern is that the freight elevator in the Depot Square building is not actually restoring the building. In fact, the freight elevator is an original component of the building. More importantly, the building presently functions, and will continue to function, as a public meeting space. The elevator will enhance the utility of that space by making the meeting setup and tear down more efficient.

This is an additional appropriation for restoration of the Cary Hall Vault. It is within the scope of the CPA and the appropriation made at the most recent Annual Town Meeting (\$60,000 Article 28(i)).

The Capital Expenditures Committee UNANIMOUSLY RECOMMENDS APPROVAL of Article 4 part (ii).

Article 2: Appropriate for a DPW Facility

The Project

For a number of years the need to replace the existing DPW facility has been universally recognized. The 2005 Annual Town Meeting appropriated \$720,000 for the purpose of producing Design Development drawings for a replacement DPW Facility at 201 Bedford St. In the fall of 2005, the Permanent Building Committee selected an experienced architectural team to perform programming, schematic design, and Design Development. The program was to retain existing DPW functions at 201 Bedford St. and relocate DPW personnel currently at Town Hall to that site.

The PBC has had several public presentations of progress drawings, notably with the DPW's current abutters. The architect has taken the presentation recommendations into account as it has proceeded with the design. In addition, the PBC has had monthly committee meetings to discuss the project. As with all Town committee meetings, the PBC meetings have been open to public comment.

The Capital Expenditures Committee has "vetted" the project as it currently stands (Design Development drawings at an estimated 85% completion). The CEC review included meetings with appropriate Town staff, the architects, and other committees, as well as reviewing comments from Town Meeting Members. Capital Expenditures compliments the PBC on its efforts to deliver a sustainable design that meets the needs of the community, particularly the neighborhood contiguous to 201 Bedford St.; that meets the DPW needs for consolidating staff; and for the projected combined Facilities staff for School and Town buildings. The facility will protect the Town's capital investment in DPW vehicles and replaces an old, overcrowded and unsafe facility.

CEC believes that (1) this process has clearly indicated that the correct location for the facility is 201 Bedford St., and (2) the proposed facility is functionally correct and will meet the needs of the community by allowing the DPW to operate efficiently and respond to all anticipated situations.

Many questions by others have been raised about the project including:

- Is 201 Bedford Street the proper location (vs. Hartwell Ave)?
- Should the vehicles be garaged?
- Should the garage be heated?
- Is the proposed facility cost commensurate with other comparable facilities that were recently built?

While we do not intend to address these questions in this report, we are confident from our vetting process (which included asking these same questions) that the present facility is the proper scope. Further, in spite of the high cost, we believe it is the most cost effective facility for the DPW.

Funding

The CEC is disturbed about the confusion caused by earlier incomplete and inaccurate DPW Facility studies, which underestimated the scope of the project and resulted in low estimates of project costs. The CEC also recognizes the extraordinary construction inflation over the past

several years, particularly in materials, and the impact this has on current and past construction estimates.

Traditionally, Lexington has executed large capital projects in three phases: programming, design, and construction. For the DPW project, following this model, the programming phase and some of the design phase have been completed. The next and final part of the design phase is to produce Construction Drawings, which, among other things, can be used to produce more accurate cost estimates for the project than are currently available with just the current design documents.

There are two options for proceeding with this project:

Option 1: Appropriate only sufficient funds to complete the Construction Drawings through “bid ready” for the project, with the intent of appropriating the construction monies at a later Annual or Special Town Meeting (subject to referendum),

or

Option 2: Appropriate the remainder of all project costs, including those monies needed to complete the Construction Drawings and all construction money (again subject to referendum).

Option 1 will provide the town with more accurate construction cost estimates, but at the expense of a longer schedule in a rising construction-cost environment. Option 2 is different in that it allows for a fast-track schedule, but at the expense of more accurate cost estimates.

At the time of this writing, it is expected that the Board of Selectmen will pursue Option 1.

Presently, PBC’s total project cost estimate (including all programming, design, and construction costs) is \$30.5 million with a relatively high uncertainty range. Bringing the program to “Construction Document through bid ready” will reduce this uncertainty range and allow better estimates of future energy and operating costs as well as an understanding of the site environmental issues.

CEC believes that Option 1 -- appropriate sufficient funds for Construction Drawings through “bid ready” -- is the proper course to pursue. While it will result in a slightly longer schedule and possible increase in construction costs, it will also allow all parties -- the PBC, Board of Selectmen, Town Staff, CEC, Appropriation Committee, Energy Committee, Town Meeting, *and the voters* -- to better evaluate the projects scope, goals, and costs. Additionally, even if the referendum for construction funding fails, many parts of the design could still be salvaged and cost savings will accrue from not having additional start up costs and from having the same personnel doing the design.

The Capital Expenditures Committee UNANIMOUSLY RECOMMENDS:

- That Special Town Meeting appropriate an additional \$1,300,000 (the exact amount to be presented in the motion) so that design can proceed to Construction Documents, and
- That the Board of Selectmen defer setting a referendum date until after the completion of Construction Documents.

Appendix A

Description of Article 4 projects (extracted from the TMMA Warrant Information Book).

1. \$25,000 for a design study for the restoration of the Hancock-Clarke House.

The building is owned by the Lexington Historical Society (LHS). It is a National Historic Landmark, and is on the State and National Registers of Historic Places. The house suffers some structural weakness resulting in part from its having been moved across Hancock Street in 1896 to save it from demolition and back to its original site in 1974. The request is to provide matching funds to a grant that the LHS has already received from the Massachusetts Historical Commission. The study will be used to generate detailed architectural drawings, describe options for handicapped access, and provide the basis for construction and bid documents.

The entire project is estimated to cost at least \$500,000 and possibly as much as \$1,000,000. Construction grants will be requested from the Massachusetts Historical Commission, from the federal "Save America's Treasures" program, and from corporate donors, but it is likely that the construction phase of the project will require some additional CPA funding as well.

2. \$44,000 for a freight elevator for the Depot Building.

The reconstruction of this building (also owned by the Lexington Historical Society) was funded privately. An elevator shaft was built, however funds were insufficient for the elevator. The building is available for rent to Lexington community organizations and non-profit groups; the elevator will provide more convenient access to storage space for tables and chairs needed for events.

No further outside funding is expected to be required for this building.

3. \$60,000 for moveable shelving in the Cary Memorial Building vault.

Installation of shelving is the last phase of the Town's vault restoration project. The appropriation is requested because a grant application for funds for the shelving was unsuccessful. Currently some municipal records are stored off site elsewhere in Town; they will be returned to the vault upon completion of this project. There are no rental fees associated with the temporary storage. The moveable shelving will provide optimal use of space and increased storage capacity for official Town documents.