

Proposal for a Municipal Campus



Finance Committee

April 9 2014

Agenda

- **Brief History**
- **Steps taken since November, 2013 Town Meeting**
- **Proposal**
 - **Space Requirements**
 - **Options**
 - **Costs**
 - **Timing**
 - **Funding**
- **Conclusion and Questions**

History

- **Selectmen previously proposed a municipal campus be established at Rustcraft Road**
- **Town Meeting in November, 2013 did not support the proposal with 2/3's required for approval**
- **An alternative was offered – purchase the Ames Schoolhouse property adjacent to Town Hall and the Central Fire Station**
- **Since November TA's office and Selectmen have been collecting additional information**

Steps Taken Since the November 2013 Town Meeting

- **Town has negotiated with the Ames property owner. Both parties have signed a letter of intent.**
- **Town engaged an architect to estimate cost to renovate or expand existing buildings**
- **Town obtained an appraisal of the Ames property**

Why We Asked Architects to Look at Various Options

- **The municipal campus would address 4 projects issues:**
 - **Police Station: The most pressing need among all Town facilities; The current station has inadequate space, and is unsuitable.**
 - **Senior Center: A long-standing need in the community; Many sites have been analyzed since the 1980s, but none successfully developed.**
 - **Town Hall and Main Fire Station: Aging buildings with inadequate space; Not an immediate priority but will need to be addressed in coming years.**

Architect's Assumptions

- **Space Required (square feet):**
 - **Town Hall ~ 34,000**
 - **Senior Center ~ 16,000**
 - **Police Station ~ 21,000**
 - **Fire Station ~ 22,000**
- **Other expenses:**
 - **Contingency 15%**
 - **All costs Inflated 4% annually until start of construction**

Architect's Cost Estimates

- **SG&A Architects were asked to estimate the following 8 options:**
 - **Adapting Ames to house Town Hall and Senior Center – minor and major renovations**
 - **Adapting Ames to house Police Station and Senior Center – minor and major renovations**
 - **Renovating Town Hall into a Police Station**
 - **Renovating existing Main Fire Station**
 - **Building a new combined Public Safety building**
 - **Building a new Police Station on the current site**
 - **Details are at:**
 - www.dedham-ma.gov/municipalcampus

Cost Estimates to Renovate

Description	Cost (millions)
Adapt Ames for Town Hall and Senior Center (begin Jan 2016)	\$ 12.0
Renovate and Expand Town Hall for Police Station (begin early 2017)	\$ 9.4
Total	\$ <u>21.4</u>
Of which: contingency is	\$ 2.3
inflation is	\$ 1.3

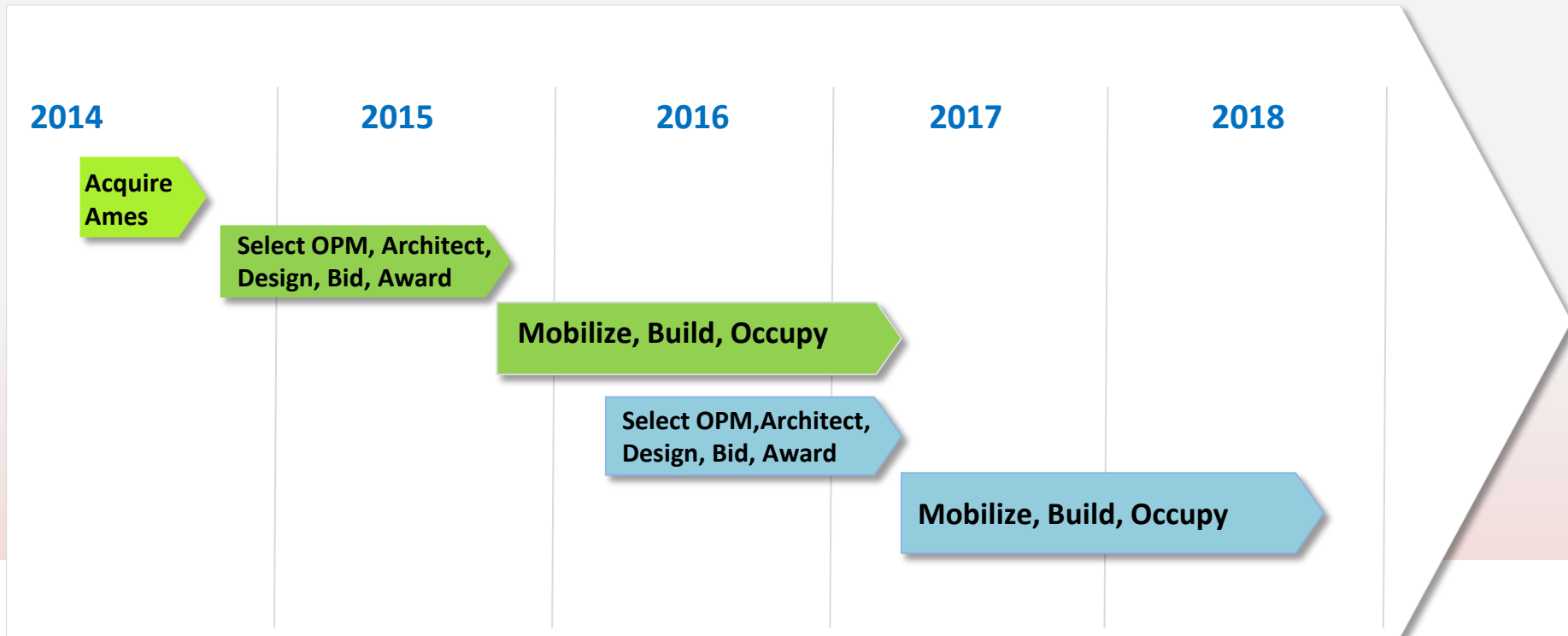
Proposal

- **Purchase the Ames Schoolhouse property**
 - **Approximately 50,000 square foot building, built in 1900, located on 2.04 acres of land**
 - **Appraised at \$3.7 to 4.0 million**
 - **Assessed at \$4.1 million**
- **Letter of intent purchase price: \$5.85 million**
- **Closing date: targeted for July 2014**
- **Tenants would pay rent to Town until they move out, into 2015**

Proposal and Timeline

- **Creates a 3.5 acre campus in center of town**
- **Undertake a major renovation of Ames and convert it to a Town Hall and Senior Center – Phase I**
- **Renovate and expand Town Hall for use as a Police Station – Phase II**
- **Construction starts: January 2016.**
- **Ames renovation complete: March 2017**
- **Town Hall/Police renovation complete: Sept 2018**
- **Construction dates could be earlier depending on tenant relocation timing**
- **Fire Station – Phase III is approx 10 years from now**

Municipal Campus Timeline



Ames Acquisition and Renovation for Senior Center and Town Hall



Renovate Existing Town Hall for Police Station

*Subject to change depending on tenant relocation
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Tenant Relocation Assistance

- **Required by state regulations**
- **The cost estimates for assistance are being compiled**
- **A relocation agent and a plan will be in place very early in the process to work closely and effectively with affected businesses**

Total Project Cost

Options	Cost (millions)
Adapt Ames for Town Hall and Senior Center (begin Jan 2016)	\$12.0
Renovate and Expand Town Hall for Police Station (begin early 2017)	\$ 9.4
Purchase Ames Schoolhouse	\$ 5.85
Relocation Expenses	\$ 1.0
Grand Total*	\$28.25

*Included above: Contingency: \$2.3 million. Inflation: \$1.3 million

How Will the Town Pay for This?

- **Financing follows the same model used for the Rustcraft project**
- **The Town will use hotel and meals tax to pay for 100% of acquisition, design, construction**
- **Since January 2010 the meals tax and a portion of the hotel tax have been deposited in the Robin Reyes Major Capital Facilities Fund (see next slide)**

Overview – Financial Model

- **Purpose is to illustrate the scope of projects affordable within the Town's debt capacity, maintaining a \$1m fund balance in the Robin Reyes Fund**
- **Maintains capacity to fund School project that is currently in planning stages without debt exclusion**
- **Municipal Campus would include:**
 - **Acquisition of Ames Schoolhouse and renovations**
 - **Renovation of Town Hall for relocated Police Station**
 - **Renovation of the Main Fire Station (2025)**

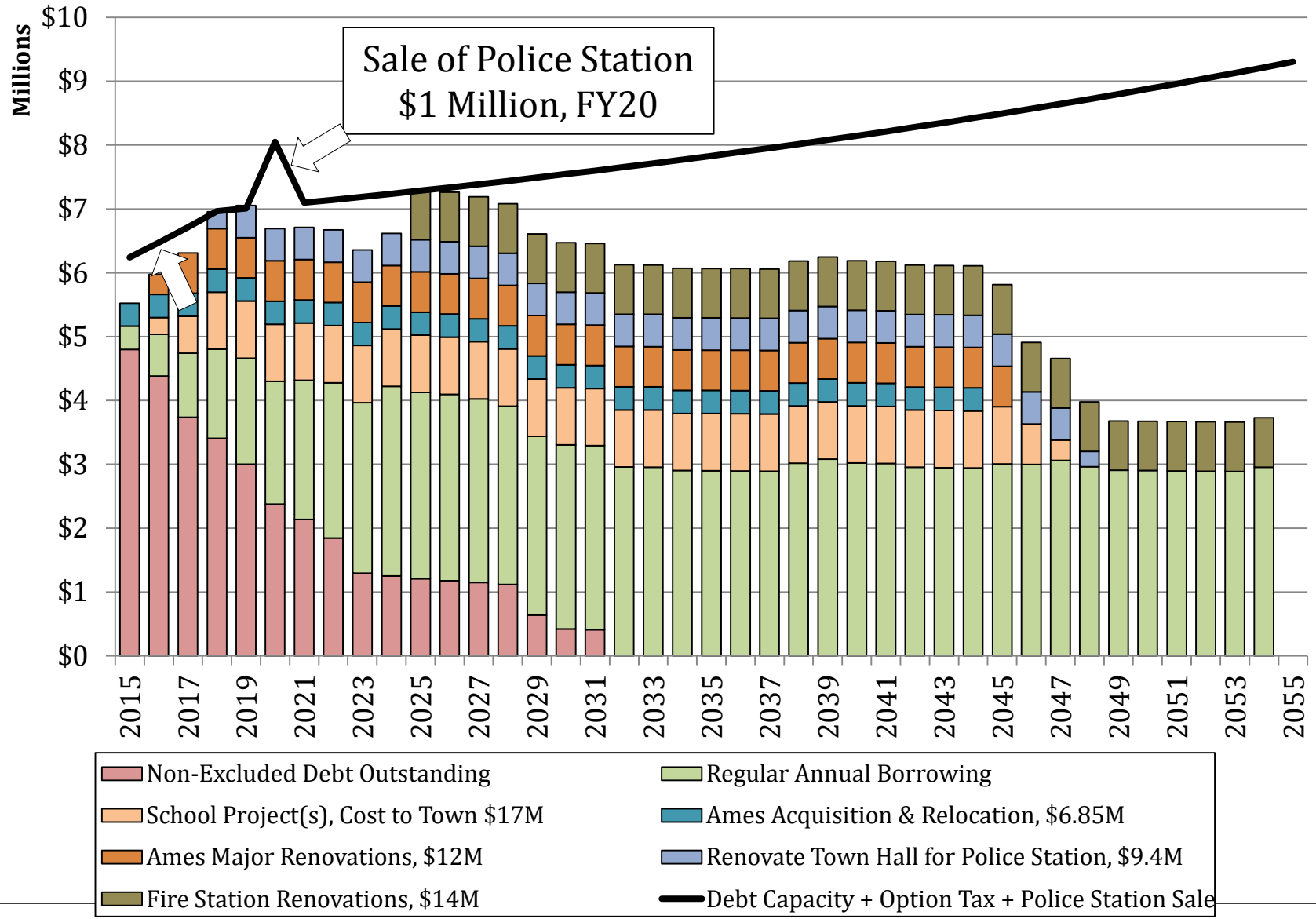
Overview

- **Current cost and timing projections:**

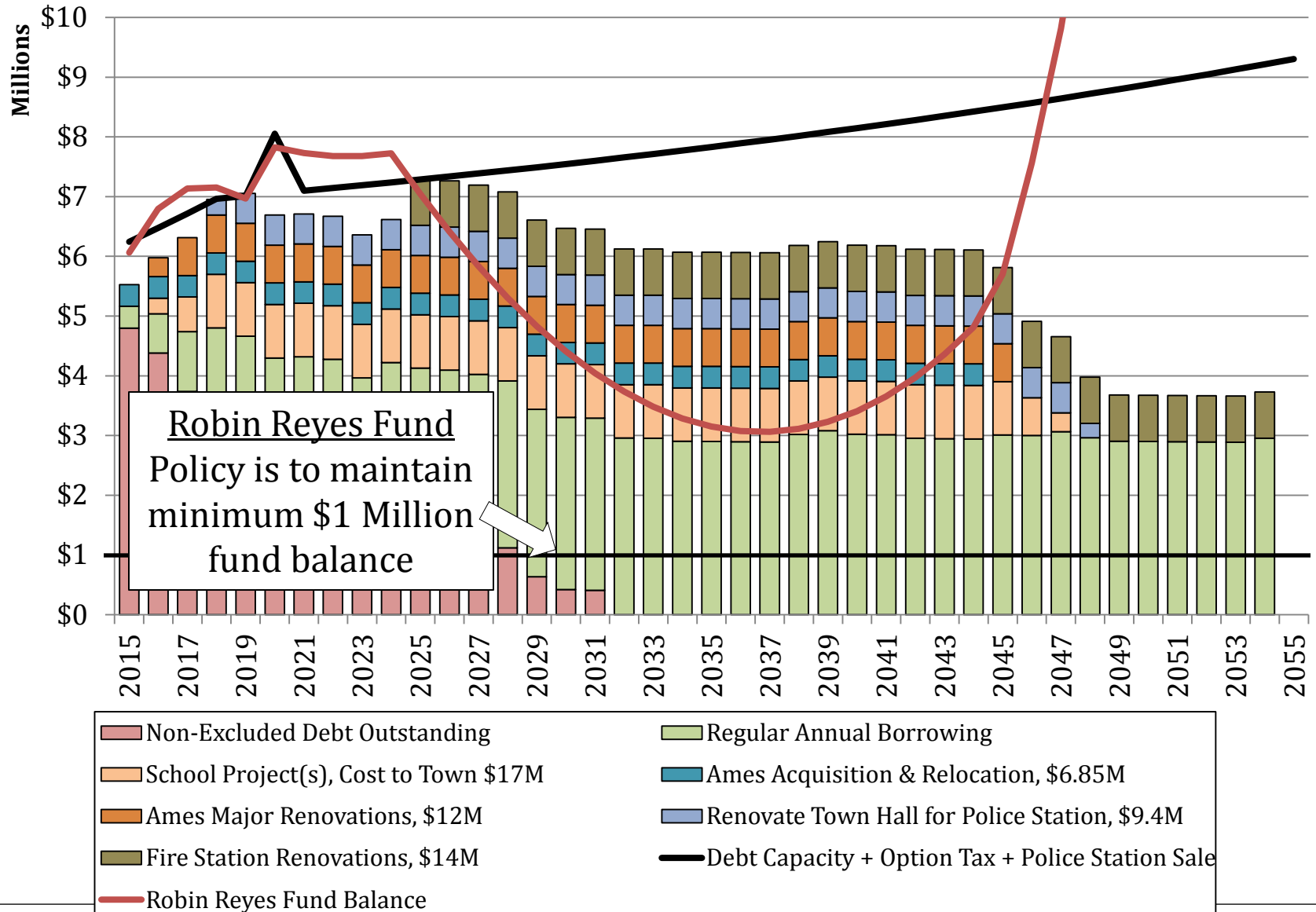
Project	Investment (millions)	Timing
Ames Bldg. – Acquisition and Relocation	\$ 6.85	FY 15
Ames Bldg. – Major Renovation	\$12.0	FY 16
Next School Project	\$17.0 Town + \$18.0 State	FY 16-17
Town Hall Renovation for Police	\$ 9.4	FY 18
Fire Station Expansion	\$14.0	FY 25

- **Following slides contain a financial model similar to last year's Rustcraft Road proposal**

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



Robin Reyes Fund- Projected Cash Balance



Financing the Municipal Campus

- **The Robin Reyes Fund:**

- The key to financing the Municipal Campus Project
- Maintains a minimum \$1 million fund balance
- Prevents the project's debt service from impacting property taxes
- Is a sustainable, established funding source for major projects without debt exclusions

- **The Municipal Campus Project:**

- Will not squeeze out funding capacity for next school building project
- Is affordable within the Town's debt capacity
- Will be paid for solely with hotel and meals tax revenues

Conclusion

- **This proposal requires less capital investment than new standalone facilities**
- **Co-locating Senior Center with Town Hall places important support services under one roof**
- **With this unique opportunity we will address decades of legacy infrastructure issues, all within our budgetary means, that will position us to serve future generations**
- **Your support for the municipal campus at Bryant and Washington Street is respectfully requested**