

The Proposal to Create a New Municipal Campus at 100/150 Rustcraft Road



11/04/2013



First, A Little History . . .

Studies show the
need for a:

New Police
Station

And...



A Senior Center



Function Room (Stonham)



Arts and Crafts (Norwood)



In addition, due to space constraints, several departments have relocated from Town Hall



Now, Time to Present a Unique
Solution...

The Strategy

When the new owner purchased the Rustcraft property Selectmen approached the Davis Companies to discuss the opportunity to develop a Municipal Campus



The Strategy

The size of the property allows a vision of an integrated municipal campus that would bring together Town departments, create efficiencies and deliver improved customer service



The Strategy

At the same time, we would solve the urgent Police Station problem – delivering a best-in-class facility that our police force & citizens deserve, AND...



A New Police Station At Rustcraft



A Secure Sally-Port



New 911 Center



Roll Call and Training Room

The Strategy

Solve the longstanding need for a Senior Center that supports the Council on Aging programs and is conveniently located



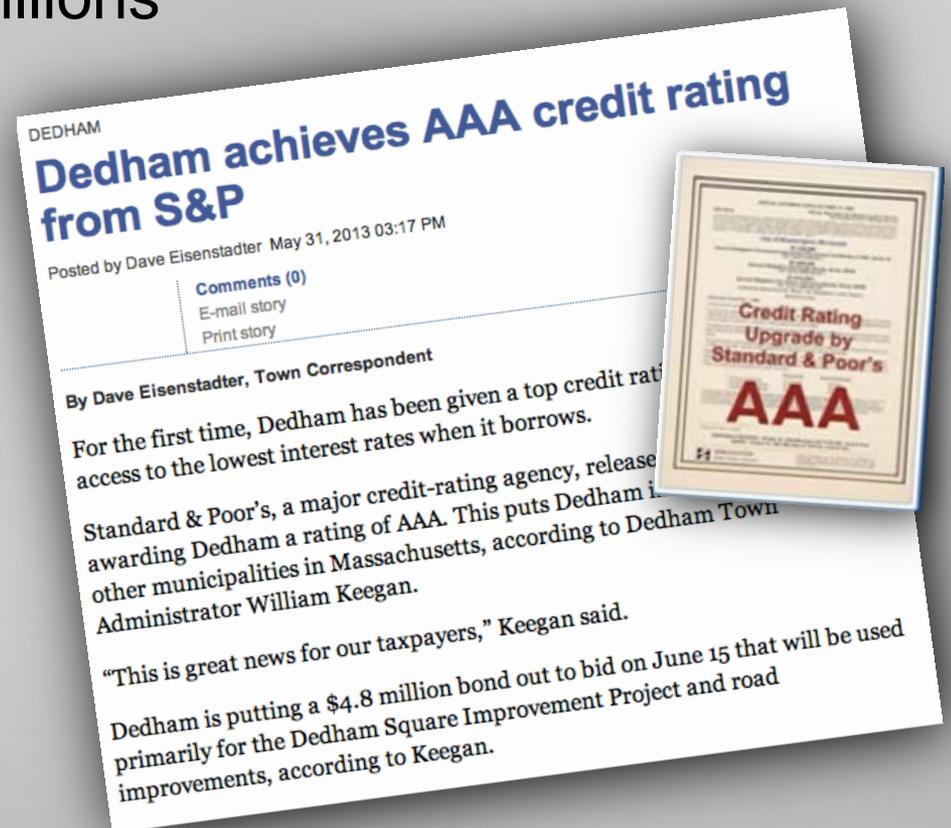
The Strategy

This move will open up exciting land use opportunities in Dedham Square; including new creative, civic space & greenscaping, along with new retail and residential opportunities for an even more vibrant downtown.



The Strategy

All this will be accomplished without raising **ANY** property taxes and through the result of the Town's creative fiscal discipline to establish the meals/hotel "piggy bank" which has already raised millions



The Strategy

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 and meet the growing demands of the 21st Century





The Vision

With bold leadership, creative vision, and rigorous planning, we are ready to solve a host of legacy infrastructure issues, while taking advantage of a simultaneous opportunity to innovate and optimize Town services.

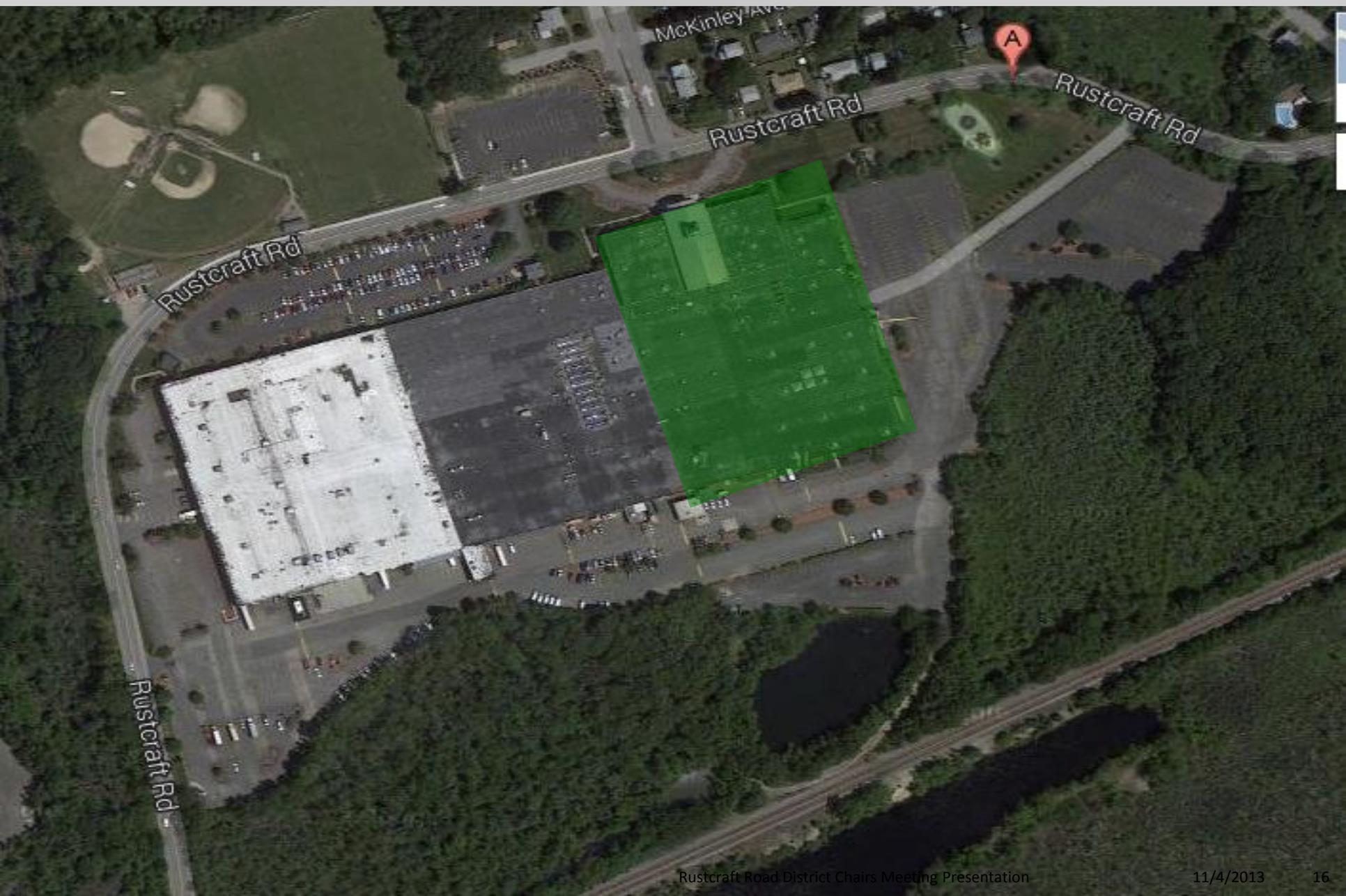
The future of Dedham largely depends on our collective efforts to find more economical methods of bringing municipal services together and ensuring that every capital dollar spent results in a sound investment back into the community.

Our future is now; let's embrace it and move forward together to establish this exciting new page of Dedham's history



The Property

- ❖ The property located at 100/150 Rustcraft Road in Dedham was acquired by the Davis Companies of Boston at a Public Auction in February of 2013
- ❖ The Town entered into discussions with the Davis Companies in March of 2013
- ❖ The Davis Companies closed as owners of the property on March 8, 2013
- ❖ The portion of the property that Dedham is considering obtaining currently spans about 224,000 sq. ft. of vacant space
- ❖ The Town has had formal discussions with the Davis Companies to negotiate a price to acquire a portion of the property to accommodate multiple Town Government operations



Identified Occupants for Rustcraft

- ❖ Police Station
- ❖ Town Hall
- ❖ Senior Center/Council on Aging
- ❖ Engineering Offices
- ❖ Possible Parks and Recreation Garage
- ❖ Ancillary Offices such as the Credit Union (sub-lease)



Rustcraft Road Proposal Consolidated Facilities

- ❖ Combining facilities at Rustcraft Road would simultaneously address three 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: An aging building with inadequate space for Town Offices; Not an immediate priority but will need to be addressed in coming years.
- ❖ An innovative project, but not unprecedented in Massachusetts
 - ❖ Hingham: Police Station, Senior Center, and Town Hall are co-located.
 - ❖ Arlington: Police Station has Senior housing on upper levels.



Benefits of a Single Facility

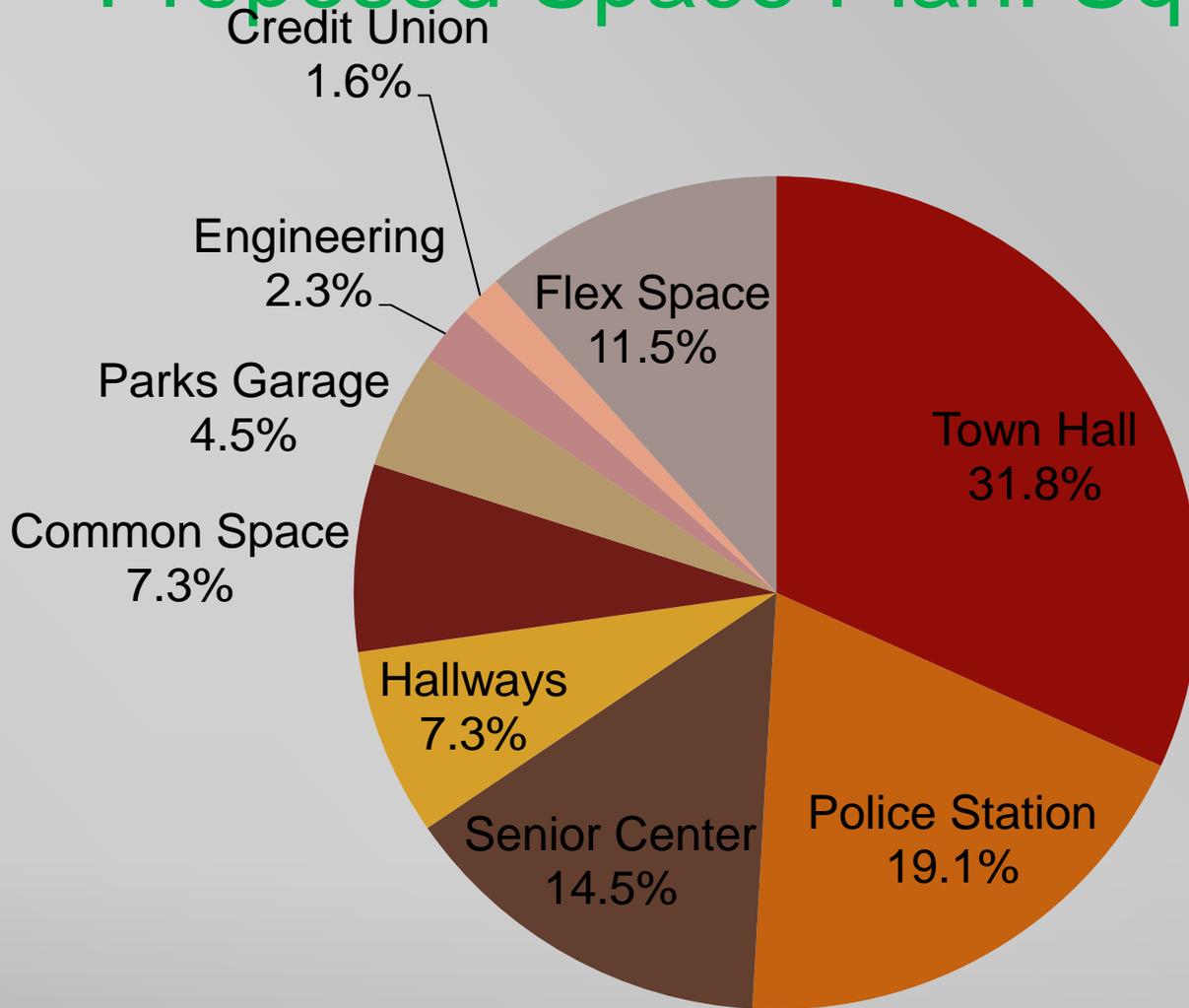
- ❖ One Stop Service for Residents and Businesses
- ❖ Improves the Efficiency of Delivering Town Services
- ❖ Improves the Interaction and Communication between Town Departments
- ❖ Allows for the Consolidation of Facility Maintenance Needs
- ❖ Addresses Multiple Facility Needs that have been Previously Identified
- ❖ Less Impact to the Neighborhood (vs. what is allowed by existing zoning)
- ❖ Added Parking Capacity for utilizing and participating in Town Government



Rustcraft Road Proposal

- ❖ The Town would purchase 224,000 square feet of space:
 - ❖ 110,000 sq. ft. would be occupied by the Town
 - ❖ 114,000 sq. ft. would be leased to tenants
- ❖ The cost would consist of two portions:
 - ❖ \$18,000,000: Acquisition
 - ❖ \$10,000,000: Renovation and fit-out
 - ❖ \$28,000,000: Total

Proposed Space Plan: Square Footage

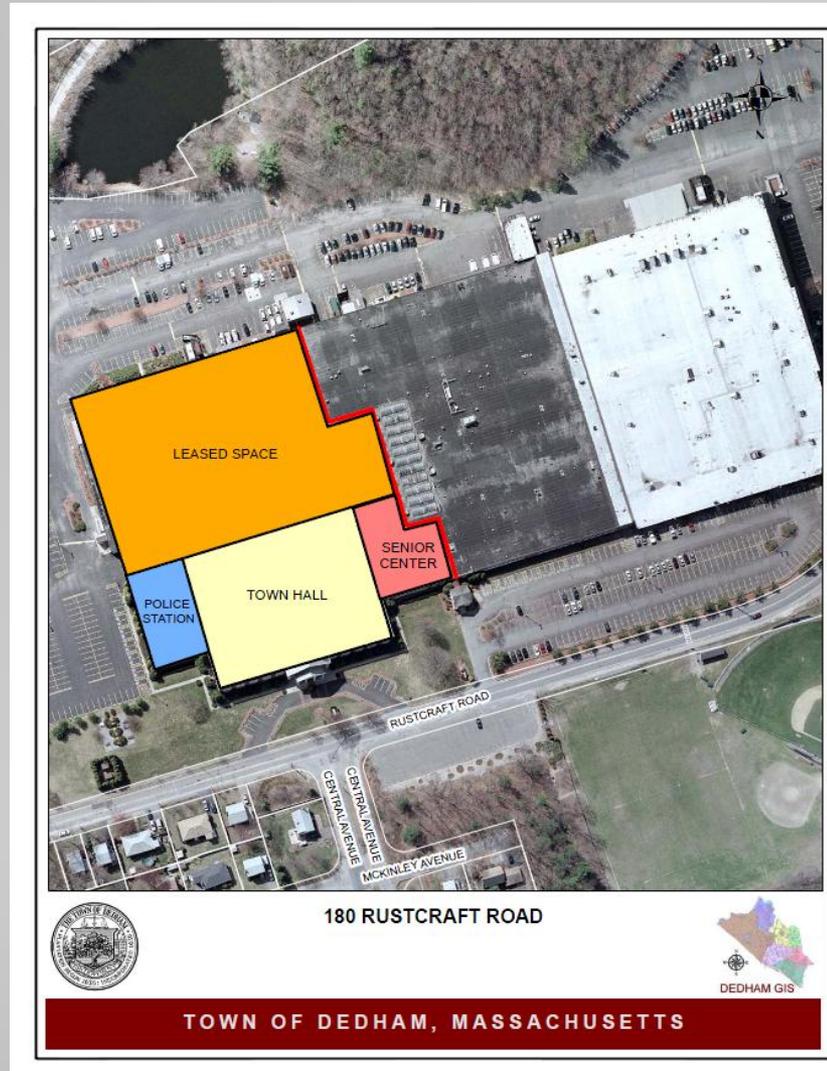


Town Hall	35,000
Police Station	21,000
Senior Center	16,000
Hallways	8,000
Common Space	8,000
Parks Garage	5,000
Engineering	2,500
Credit Union	1,800
Flex Space	12,700
Total	110,000

Building	Current	Proposed
Police Station	8,000 usable; 14,000 total	21,000
Senior Center	0	16,000
<i>Council On Aging (Traditions) is 2,500 SqFt</i>		
Town Hall	18,000	35,000

Proposed Space Plan: Layout

- ❖ Through extensive work with our consultants we have developed a broad layout, highlighted at right
- ❖ Many elements would be fine-tuned in the design stages, such as:
 - ❖ Space requirements for the Police Station
 - ❖ Space requirements for programming needs at the Senior Center
 - ❖ Parking lot layout
 - ❖ Specific locations of Town Offices
 - ❖ Potential tenants and uses for unoccupied leased space





Rustcraft Road Proposal Condominium Form of Ownership

- ❖ With less than half of the total square footage, the Town would be a minority owner in the condominium association.
- ❖ However, the agreement can be structured to require Town approval for work on the property such as snow plowing or landscaping.
- ❖ If Town Meeting grants the authority to negotiate a purchase, the Board of Selectmen would not be bound to enter a deal.
- ❖ If the Board of Selectmen determine that the agreement would give the Town an inadequate level of control, or an overly burdensome level of responsibility for the property, the Board will not purchase the property.



Impact On the Downtown

- ❖ The Town has worked with two land planning firms to analyze:
 - ❖ Potential alternative uses of Town Hall and the Police Station
 - ❖ Potential revenues from lease or sale of Town Hall and the Police Station
- ❖ Various possible options for re-use were identified:
 - ❖ Norfolk County District Attorney's offices
 - ❖ Mixed-use developments
 - ❖ Office space
- ❖ Those firms' reports are available on the Town website
www.dedham-ma.gov/rustcraft

Comparison of Alternatives: Cost

- ❖ Estimated construction costs of new stand-alone buildings vs. Rustcraft Road:

Building	Cost/SqFt	Principal	Interest	Total
Police Station	\$570	\$11,963,000	\$7,880,626	\$19,843,626
Senior Center	\$537	\$8,595,000	\$5,995,013	\$14,590,013
Town Hall	\$473	\$16,563,000	\$12,836,325	\$29,399,325
Total	\$516	\$37,121,000	\$26,711,964	\$63,832,964
<i>Note: Stand-alone building costs <u>exclude</u> any site acquisition costs</i>				
Rustcraft Road	\$255	\$28,000,000	\$21,605,864	\$49,605,864
Variance	\$261	\$9,121,000	\$5,106,100	\$14,227,100

- ❖ The cost per square foot to purchase and renovate Rustcraft Road would be about half the construction cost per square foot for three stand-alone buildings.
- ❖ The Rustcraft Road project would cost approximately \$9 million less in principal (\$14 million total) than construction of three stand-alone buildings.

Comparison of Alternatives: Timing

- ❖ Potential sites and estimated dates for construction start and completion of stand-alone buildings vs. Rustcraft Road:

Building	Site	Start	Completion
Police Station, new	High St at Mt Vernon recommended	2014	2016-2025
Senior Center, new	TBD	2016	
Town Hall, addition/renovation	Current Site	2018	
Rustcraft Road	Consolidated	2014	2015-2016

- ❖ The location of a combined facility at Rustcraft Road is established, while sites for the Police Station and Senior Center are not.
- ❖ The Rustcraft Road project could be completed up to 10 years sooner than three stand-alone projects.



Financing Rustcraft Road Overview

- ❖ At the October 3 informational hearing at the Middle School, a graph was distributed that summarized the project's potential financing, revenue sources, and impact on other projects
- ❖ A more detailed explanation of that chart will follow
- ❖ Key items we will address:
 - ❖ How the project would be funded
 - ❖ How much capacity would remain available for other projects



Financing Rustcraft Road

Major Capital Facilities (Robin Reyes) Fund

- ❖ In November 2009, Town Meeting voted to create a Special Purpose Stabilization Fund dedicated to major facility projects
- ❖ **ARTICLE THREE. VOTED:** That the Town vote to create a Major Capital Facilities Stabilization Fund* for the purposes of receiving and segregating funds for major facility improvements, facility replacements, new facilities, or for debt service on bonds and notes issued for these purposes.

BY 2/3 VOTE

* Since renamed the Robin Reyes Fund

- ❖ Each Town Meeting since has voted to deposit collected option tax revenues into the fund

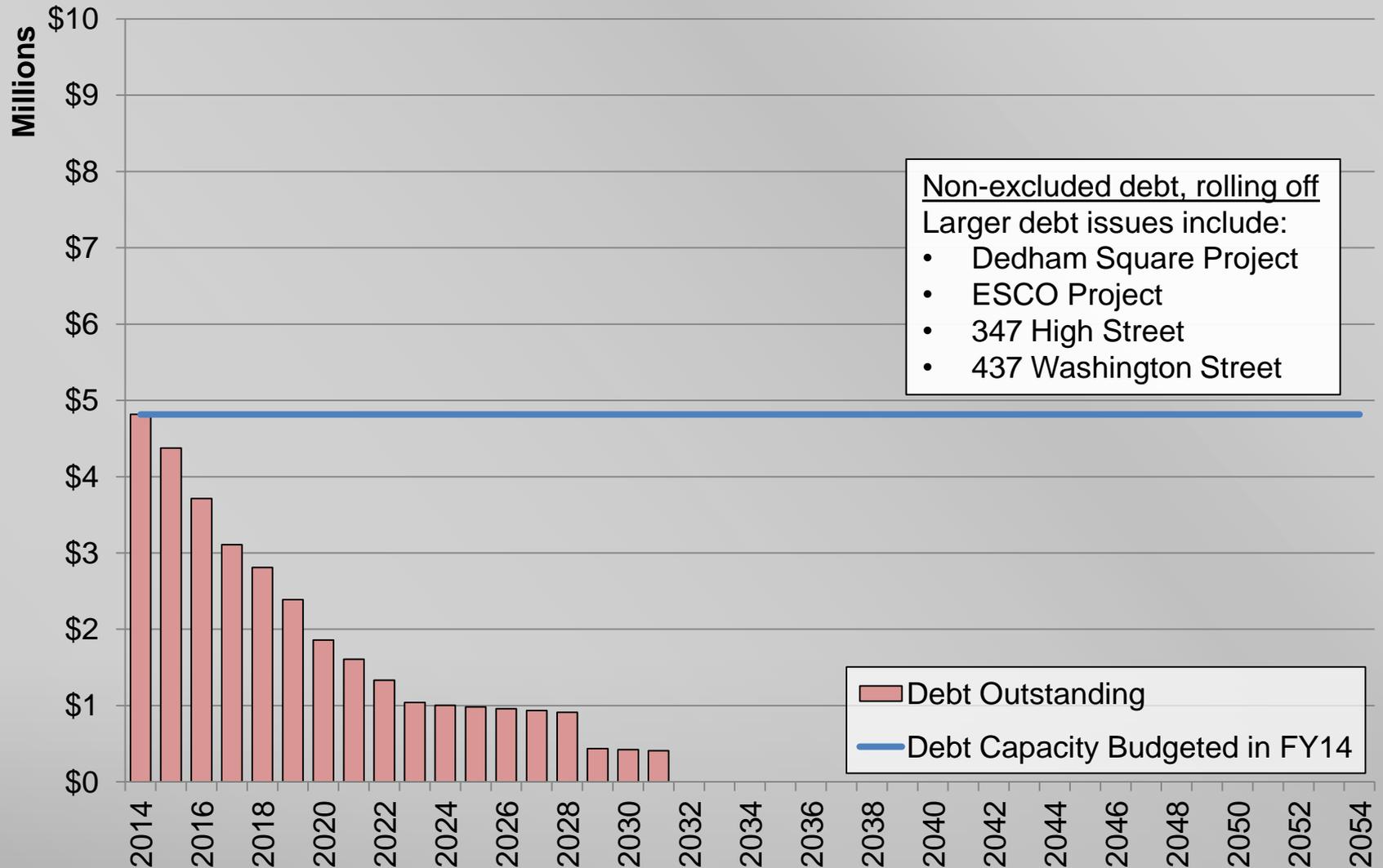
Financing Rustcraft Road Option Tax Revenues

- ❖ From January 2010 through August 2013, option taxes have generated \$4.1 million

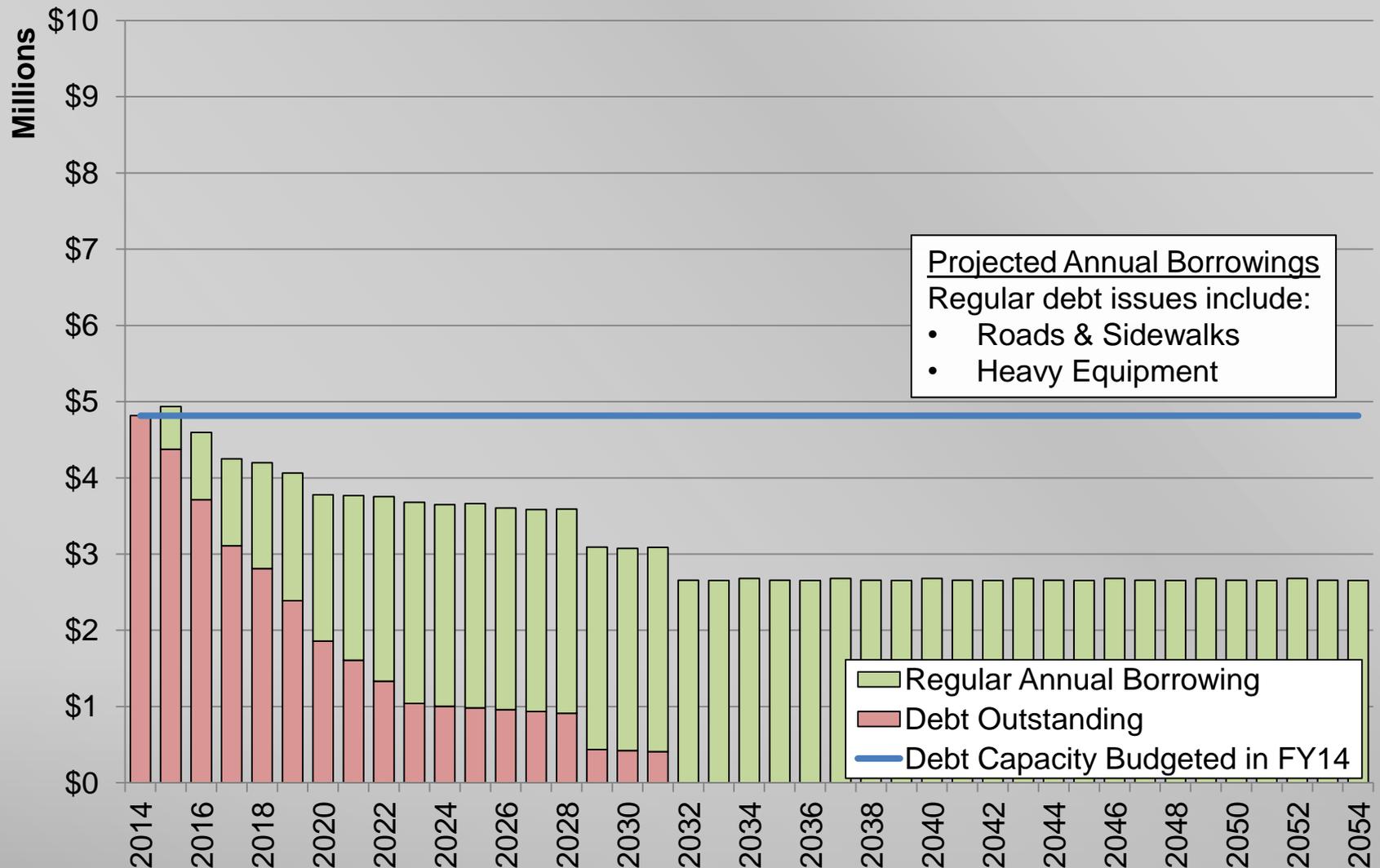
	Local Meals Tax (.75%)	Room Occupancy Tax (2%)	Annual Total	Cumulative Total
FY10 (2 Quarters)	300,745	86,429	387,173	387,173
FY11	697,114	315,209	1,012,322	1,399,496
FY12	821,965	354,169	1,176,134	2,575,630
FY13	813,338	376,415	1,189,754	3,765,383
FY14 (1 Quarter)	218,854	117,558	336,412	4,101,795
	2,852,015	1,249,780	4,101,795	
* FY10 and FY14 collections represent partial year revenues				

- ❖ Policy is for funds to finance facility construction or renovation projects over \$4,000,000, and to maintain a \$1,000,000 fund balance
- ❖ This new revenue source would be used to pay for the project

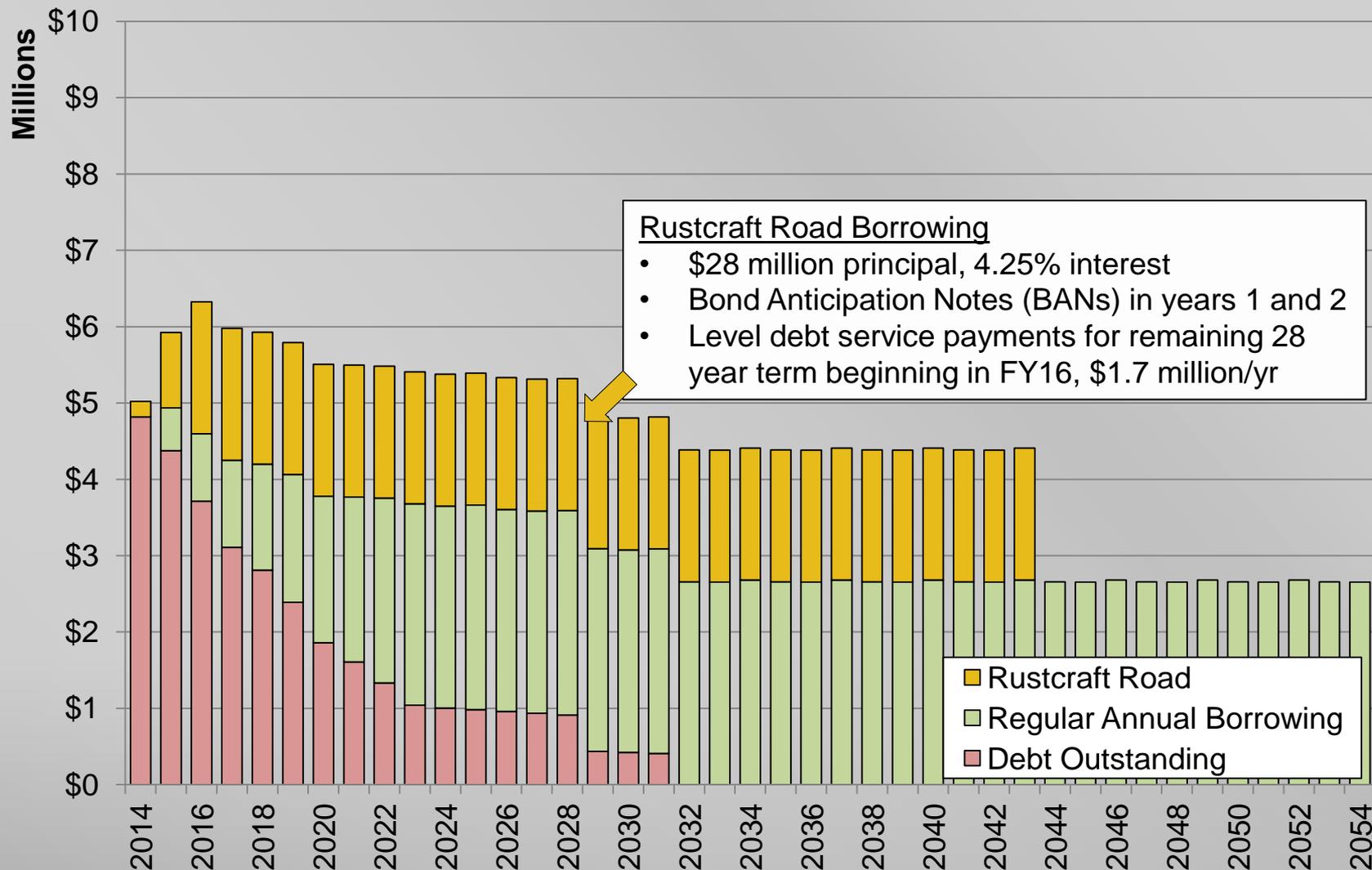
Existing Non-Excluded Debt Service



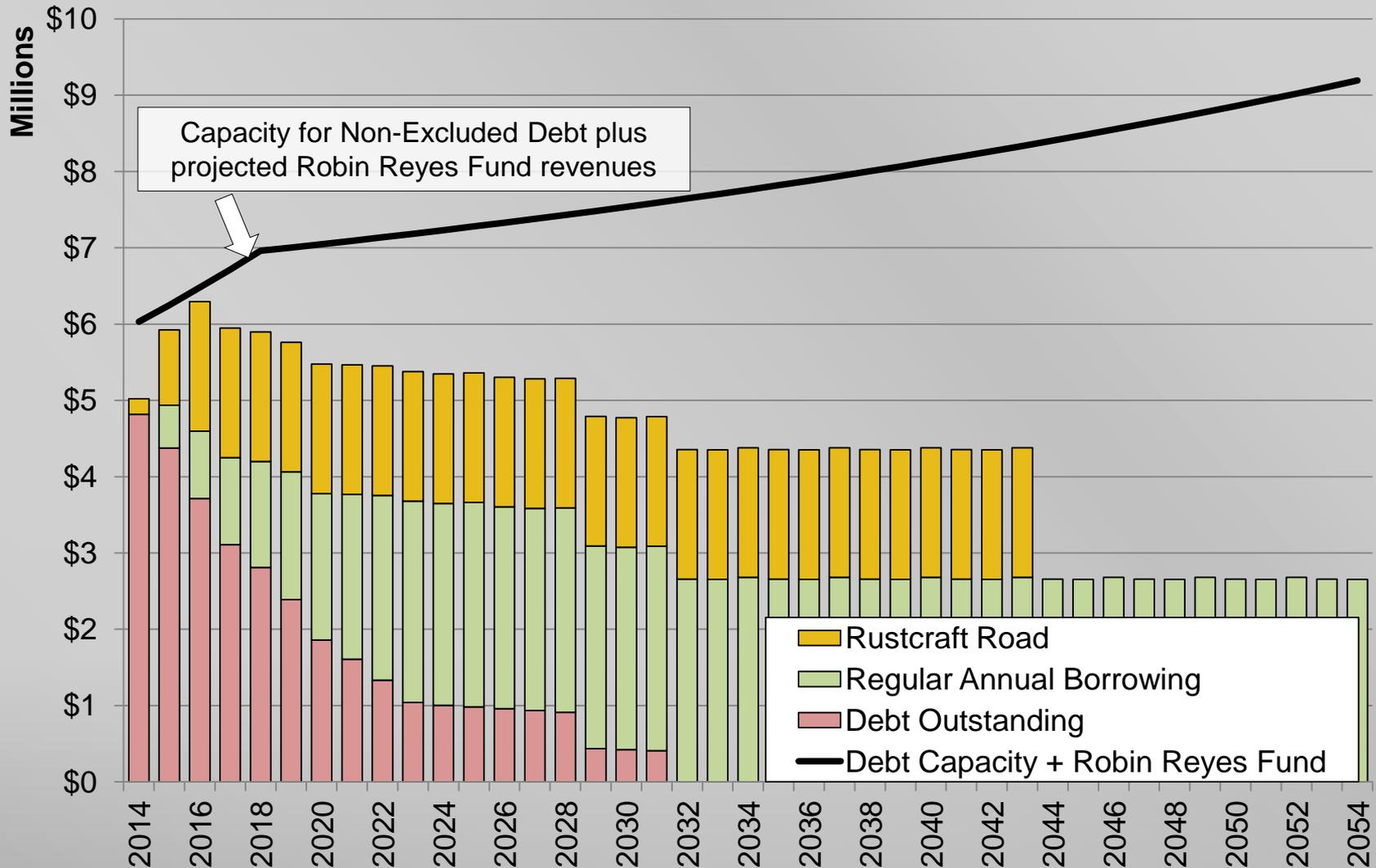
Projected Regular Borrowings



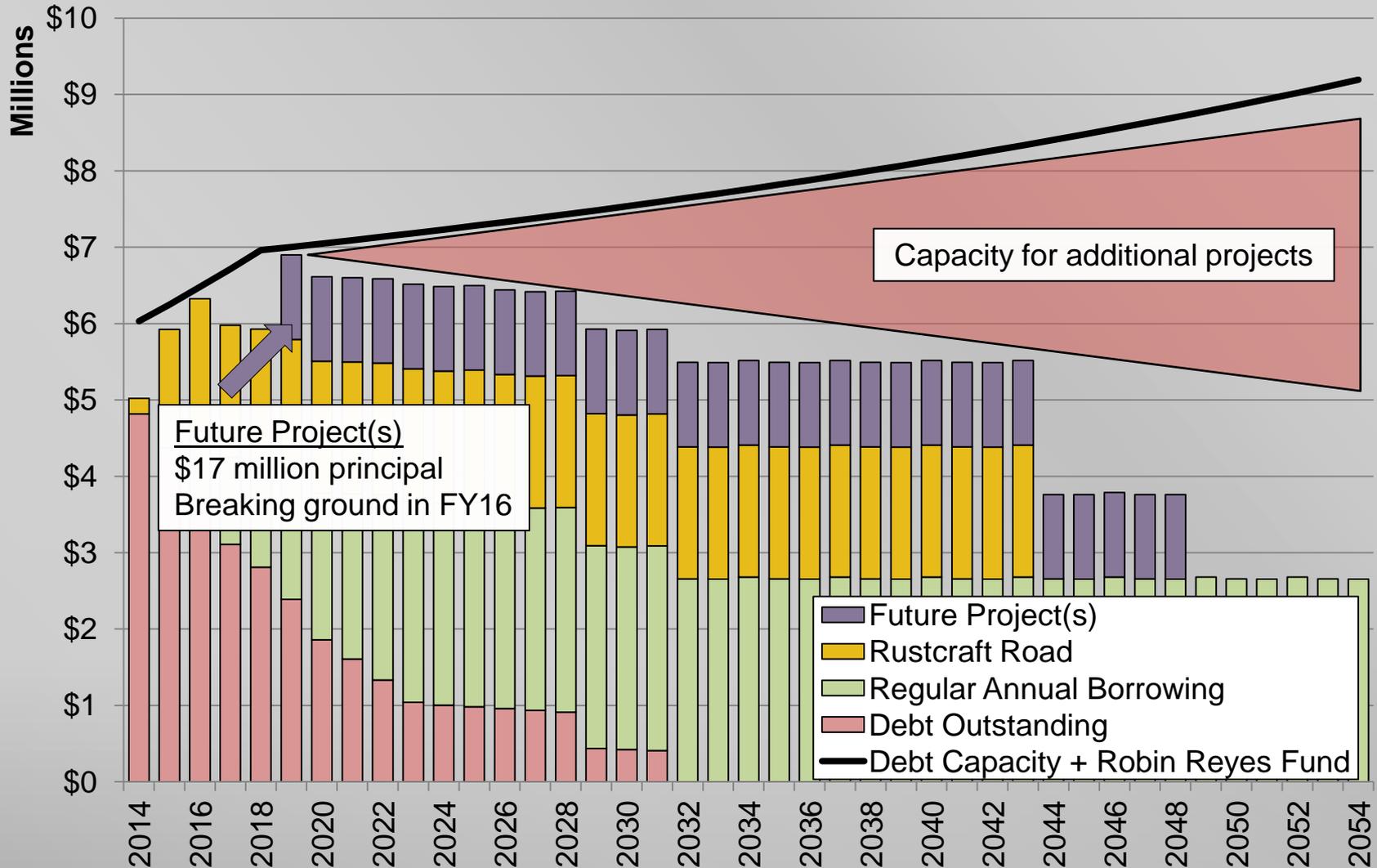
Rustcraft Road Project



Option Tax Revenues



Capacity For Other Future Project(s)





Financing Rustcraft Road Capacity for Other Future Project(s)

- ❖ Including the Rustcraft Road borrowing, option tax revenues within the policy guidelines of the Robin Reyes Fund are projected to provide capacity for a project or projects ranging from \$10 to \$21 million breaking ground in FY2016.
- ❖ This range considers a number of factors, including:
 - ❖ Revenues from the:
 - ❖ Meals and room occupancy option taxes
 - ❖ Lease or sale of Town Hall and the Police Station
 - ❖ Lease of unoccupied space at Rustcraft Road
 - ❖ Potential for reduced borrowing through alternative funding sources
 - ❖ Interest rates
- ❖ Bottom line: Financing the Rustcraft Road borrowing would not preclude the Town from funding future projects.



Financing Rustcraft Road Conclusion

❖ The Robin Reyes Fund:

- ❖ The key to financing the Rustcraft Road Project
- ❖ Would maintain a minimum \$1 million fund balance
- ❖ Would prevent the project's debt service from impacting property taxes
- ❖ Is a sustainable funding source for major projects without debt exclusions

❖ The Rustcraft Road Project:

- ❖ Would be affordable within the Town's debt capacity
- ❖ Would be payable solely with option tax revenues
- ❖ Would not interfere with funding capacity for future building projects

Project Team Members

- ❖ Many people have been involved in this process and in developing the proposal.
- ❖ Team members include:
 - ❖ Board of Selectmen, Town Administrator, Assistant Town Administrator
 - ❖ Legal Counsel: Kopelman & Paige
 - ❖ Jonathan D. Eichmann, Esq.
 - ❖ Real Estate and Construction Consultants
 - ❖ John Sisk, Asset Management Consultant, Marwick Associates
 - ❖ Richard Bradbury, CPA, Principal, Babson Real Estate Advisors
 - ❖ Paul Newman, Principal Operations & Maintenance Advisor, Babson Real Estate Advisors
 - ❖ Engineering and Environmental Planning Consultants
 - ❖ BETA Group
 - ❖ Urban Land Institute
 - ❖ Financial Resources:
 - ❖ Town of Dedham Finance Committee
 - ❖ Uni-Bank: Lynne Foster, Financial Advisor
 - ❖ Finance Department: Finance Director, Department staff

In Conclusion

- ❖ This is a complex proposal that Town Meeting Members should review carefully prior to Town Meeting. Please contact the Board of Selectmen with any questions:

freshideas@dedham-ma.gov

- ❖ Visit the Town website for information:

www.dedham-ma.gov/rustcraft

- ❖ Frequently Asked Questions are compiled in the Appendix of your Town Meeting Book.

- ❖ Take a tour of the property. The final walk-through will be from 9:00 to 12:00 on Saturday, November 16th.

Our future is now; let's embrace it and move forward together to establish this exciting new page of Dedham's history

